

MOLSON INDUSTRIES LIMITED Annual Report 1969



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The Annual Meeting of Shareholders will be held at the Head Office of the company, 1555 Notre Dame Street East, Montreal, Que., on June 26, 1969 at 11 :30 a.m., E.D.T.

E OFFICES

TIONAL BOULEVARD,
ONT., CANADA

The Company and its Purpose

Molson Industries Limited is a diversified, growth-oriented company resulting from the combination of two major Canadian corporations, each having an impressive history in a different area of the North American economy.

The character, strengths and resources of Molson Breweries Limited and Anthes Imperial Limited formed the basis for an unusually strong structure when the two organizations became one.

The corporation today operates 36 plants and facilities, employs 7,500 people and is owned by over 13,000 shareholders. The company's activities are multi-market, multi-product and international in scope. The majority of its assets are located in Canada and the United States, with subsidiary or partial ownership affiliations in three other countries.

The development of the world's major industrial countries has been directly related to the development of individual enterprises in those countries. As these companies have grown and attained a size that permitted them to compete effectively in world markets, so has the general industrial might of their country grown.

In Canada, the relatively small population scattered over a large land mass historically led to a fragmentation of Canadian manufacturing resources not geared to compete on a national or North American basis.

Added to this has been the trend, in the past two decades, towards "common market" trading in North America as business and governments in both countries recognized the mutual benefits of a single market for some commodities.

As with other industrial countries, Canada's development in international trade is then related to its ability to develop manufacturing and trading companies large enough to compete on even terms.

The Year in Brief

1969 \$	1968 \$	1967 \$
295,575,484	275,354,234	244,709,298
15,028,426	15,919,248	14,391,432
1.33	1.41	1.28
7,851,077	6,957,637	6,121,456
.72	.72	.64
45,743,342	44,195,906	40,247,615
95,766,248	90,602,504	82,235,937
150,797,507	151,122,719	132,977,232

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It was in this climate of national development that the managements of Molson and Anthes decided to combine the resources of the two companies. Molson Industries Limited emerged and the stage was set for a new era of long-term growth. The financial and management strengths of the new company will contribute to continental economic growth and to a bright corporate future in a manner not possible for smaller companies.

The first responsibility of the management of the company will be to operate its present businesses with skill, diligence and foresight. Senior officers will maintain at all times a close association and involvement with the operations of all divisions to assure the maximum input of management talent. The optimum use of the company's resources — financial, physical and human — is recognized as a permanent challenge. Opportunities for growth will be constantly sought; anticipation of, and planning for, change will receive continuing attention.

The maintenance, development and cultivation of an outstanding management group will have top priority. A high degree of decentralized authority will prevail commensurate with direction, counselling and monitoring by a headquarters staff.

Fixed assets will be maintained at a high level of efficiency consistent with the size of market served. Operations will embrace a broad degree of diversification. No product or facility will be continued beyond its useful and profitable life. New products and acquisitions of other businesses will be sought using the criteria of growth, return on investment and compatibility. There will be no geographic limit to the company's future activities, other than those imposed by political circumstances and the economics involved.

Molson Industries Limited sees its broad responsibilities as twofold. The first is to ensure that the quality of its products and services will be of the highest order, in keeping with consumer needs, and that these goods and services will be offered to the public at the lowest possible cost, consistent with the company realizing a fair return on its investment. Second, the company recognizes a social responsibility to the countries and communities in which it does business and to the people associated with the enterprise.

MOLSON INDUSTRIES LIMITED

AND SUBSIDIARY COMPANIES

HEAD OFFICE

1555 NOTRE DAME STREET EAST,
MONTREAL, QUE., CANADA

INCORPORATED UNDER THE LAWS OF CANADA

EXECUTIVE OFFICES

2 INTERNATIONAL BOULEVARD,
REXDALE, ONT., CANADA

Annual Report 1969

The Year in Brief

	1969 \$	1968 \$	1967 \$
SALES	295,575,484	275,354,234	244,709,298
NET EARNINGS	15,028,426	15,919,248	14,391,432
Net earnings per "A", "B" and "C" share	1.33	1.41	1.28
DIVIDENDS	7,851,077	6,957,637	6,121,456
Dividends per "A", "B" and "C" share	.72	.72	.64
WORKING CAPITAL	45,743,342	44,195,906	40,247,615
SHAREHOLDERS' EQUITY	95,766,248	90,602,504	82,235,937
TOTAL ASSETS	150,797,507	151,122,719	132,977,232



T. H. P. Molson



D. G. Willmot



Hon. H. deM. Molson



P. D. Curry



G. B. Waterman



J. T. Black



E. H. Orser



N. E. Whitmore



D. Lakie



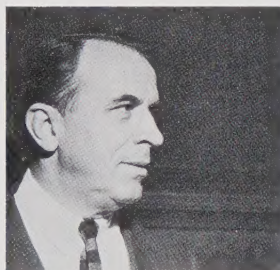
M. McCammon



H. C. F. Mockridge



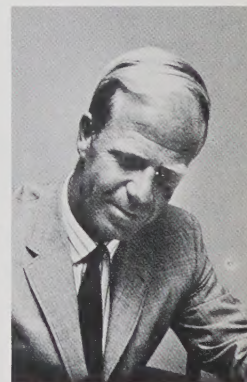
W. P. Frankenhoff



Gérard Plourde



D. S. Harvie



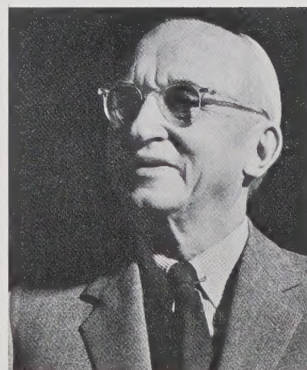
J. D. Molson



Roger Létourneau



F. H. Sobey



H. N. Bawden

Directors' Report to the Shareholders

The fiscal year ended March 31, 1969 was marked by another significant step in the company's long-range plan to create a major Canadian corporation capable of competing effectively in selected areas of international trade.

In June 1968, the company made an offer to the holders, other than those resident in the United States of America, of the Class A and Class B common shares of Anthes Imperial Limited, a widely-diversified company engaged in the manufacture of an important range of products which are marketed in Canada, the United States, Mexico and Europe. The markets for these products include construction, petroleum retailing equipment, industrial, consumer, agricultural and office equipment and supplies. In addition to operations primarily engaged in secondary manufacturing of durable products, other goods and services such as business forms, equipment rentals and warehousing and distribution services, are marketed. Up to the present time, the holders of 91 percent of the outstanding Class A and Class B common shares of Anthes Imperial Limited have accepted the offer.

Thereby, the company has become a large, multi-national, multi-product organization.

In consequence, the company's name was changed by supplementary letters patent on September 5, 1968

from Molson Breweries Limited to Molson Industries Limited to reflect the new breadth of activities.

ORGANIZATION

To manage the broad scope of operations of the enlarged company, it has been organized into six major areas of responsibility, each headed by a Senior Vice-President. Three operating groups consist of: the Brewing Group, incorporating all brewing operations; the Canadian Industrial Group, encompassing the divisions of Anthes Imperial in Canada and the furniture and school supply businesses of Vilas Industries Limited; and the U.S. & International Industrial Group, directing all of the business activity of Anthes Imperial outside Canada. Three corporate headquarters staff groups comprise: the Finance & Control functions; Corporate Services dealing with legal, secretarial, industrial relations, public relations, employee benefit and general insurance matters; and Corporate Development with responsibility for long-range planning of corporate and management resources.

FINANCIAL RESULTS

To properly reflect the combined affairs of the two companies, the financial results have been consolidated on a "pooling of interests" basis.

Consolidated sales of products and services in the fiscal year ended March 31, 1969 amounted to \$295,575,484, an increase of 7.3 percent over the previous year. Net earnings totalled \$15,028,426 or

\$1.33 per share, a decrease of 5.6 percent from the comparable figure of \$15,919,248 or \$1.41 per share in the previous year.

Dividends at the rate of 72 cents per share were paid during the year. The combined total amounted to \$7,851,077, an increase over the combined total amount distributed in the previous year.

The reduction in net earnings is the result of labor strikes, new product costs, lower prices realized by the company for many of its construction products and increases in corporate income taxes in Canada and the United States.

During the past year excessively high wage demands were made by labor in most industries throughout North America. In common with other industries, settlements were made by your company, through negotiation with the various unions and associations representing the company's employees, which must be considered inflationary in nature.

While in the past the company has been able to achieve productivity improvements to offset the increased costs arising out of successive labor agreements, it was aware that there is a practical limit to the extent of productivity improvement that can be

achieved at any time. The company felt it had a social and economic responsibility to resist wage demands that did not bear any reasonable relationship to productivity gains.

As a result, your company sustained four separate strikes during the year: nearly four week's strike in the Ontario brewing industry; one lasting six weeks in the metal products division at St. Paul, Minnesota; a third extending nine weeks at Anthes Steel Products in Toronto, and a fourth which lasted nine weeks at the foundry in St. Catharines, Ontario. The interruptions to normal activities caused by these strikes reduced earnings before income taxes by more than \$3,000,000.

Expenditures on development engineering, initial tooling and production costs, and introductory marketing expenses associated with a new line of products for the soft drink industry being produced at St. Louis, Missouri, substantially reduced the earnings of the U.S. & International Industrial Group.

A major new product is a frozen carbonated beverage machine for which a demand is developing. Expenditures for this product alone, incurred and absorbed during the

year, amounted to \$1,000,000. While the volume of production to meet a growing backlog of orders has not yet achieved break-even levels, it is expected this division will do so during the course of this fiscal year.

The physical level of construction activity in Canada was below that of the previous year, with attendant pressure on prices for construction materials and services. Profits from construction-related activities, therefore, were below the previous year.

The increase in corporate income taxes both in Canada and the United States resulted in an additional tax burden of over \$500,000.

During the year the major part of the company's portfolio of marketable securities was sold, with a net gain of \$1,174,000. The proceeds from the sale of the portfolio, consisting of stocks and bonds built up out of cash reserves over the years, were used to reduce bank indebtedness of subsidiary companies.

Funds generated from consolidated operations in the year amounted to \$21,988,684, a slight decrease from the previous year. Working capital increased by \$1,547,436 to \$45,743,342.

The company adopted deferred tax accounting during the year and, in addition to providing for future taxes relative to current years' earnings, has provided for all past deferred income tax liabilities out of retained earnings. The total appropriation for deferred income taxes stands at \$5,627,905.

OPERATIONS

The volume of beer sold by your company in the year increased by

more than the increase in the volume sold by the industry in Canada, signifying a continued growth in your company's share of the Canadian market. The performance in Ontario was particularly encouraging in spite of the strike, and sales of the company's brands continued to achieve new high levels.

Sales of petroleum marketing products, principally the Bennett gasoline pump, reached a record level in the year both in the United States and abroad, with an attendant increase in earnings.

In Canada, Office Specialty Limited increased its sales volume and maintained its earnings in the face of intense competition resulting from over-capacity in the office equipment industry. New concepts of office planning and office "landscaping" in which we are active offer new possibilities for the products and services of this division.

While results of the household furniture business were disappointingly below the previous year, new lines introduced by Vilas Industries Limited to supplement its well-established colonial furniture styles, were well received. Orders in hand are at a record level with factory output striving to meet the increasing demand. In regard to the school supply

business carried on by the Moyer division of Vilas Industries Limited, the rapid growth of the past few years slowed somewhat this year. But the outlook, following reorganization of many of the public school boards in Canada, is for continued growth in demand.

CAPITAL EXPENDITURES

Net expenditures on capital assets during the year totalled \$10,524,540, compared to the previous year's outlay of \$10,747,881.

Principal capital additions in the Brewing Group during the year included the initial phase of the brew-house expansion in Toronto, additional storage capacity in Vancouver, a new packaging building and storage cellar at Lethbridge, a new bottling line in Regina, and storage facilities in Winnipeg.

In the Industrial Groups, a new warehouse and distribution centre in Toronto was built; two new electric furnaces with attendant equipment were installed at the foundry in Winnipeg; a permanent mold pipe machine and conveyor equipment were added to the plant at St. Catharines, and the inventory of equipment rented to others — in the form of scaffolding, hoists and cranes — was substantially increased. Deluxe Upholstery Limited, a subsidiary

of Vilas Industries Limited, purchased a larger plant in Waterloo, Ontario and modern production facilities have been installed there.

Outlays for capital assets during fiscal 1970 are planned to total \$13,500,000.

DAVID M. CHENOWETH

Your Directors wish to record with sorrow the passing on December 2, 1968 of David M. Chenoweth, a Director and Vice-Chairman of the board. He joined Molson's in 1954 as Managing Director of the newly formed Molson's Brewery (Ontario) Limited. Subsequently, Mr. Chenoweth was successively appointed General Manager, Executive Vice-President and, in 1966, President of Molson Breweries Limited. In September, 1968 he became Vice-Chairman of the board of Molson Industries Limited. His outstanding contribution to your company's progress is acknowledged and he will be greatly missed by all who worked with him.

DIRECTORS AND OFFICERS

In September 1968, J. M. McGillis retired from the board after 14 years service as a Director, as did R. H. B. Ker who joined the board in 1959.

These men served your company well, Mr. McGillis as chief financial officer for 25 years until his retirement in 1966, and Mr. Ker as a Director having a long association with Sicks' Breweries Limited which became

Molson's Western Breweries Limited.

The size of the board of directors was increased from 14 to 18 on September 5, 1968, reflecting the expansion of the company's operations.

At the meeting of the board held on September 11, 1968, six new directors were elected to fill the two vacancies and four newly created positions: D. G. Willmot, who was also elected President and Chief Executive Officer; D. Lakie, E. H. Orser, G. B. Waterman, H. N. Bawden of Toronto and W. P. Frankenhoff of New York, all directors of Anthes Imperial Limited.

In addition to these elections, the following appointments were made to reflect the new management structure of Molson Industries Limited: J. T. Black was appointed Senior Vice-President, Brewing Group; D. Lakie, Senior Vice-President, Canadian Industrial Group; M. McCammon, Senior Vice-President, Corporate Services; A. G. McCaughey, Senior Vice-President, Finance and Treasurer; E. H. Orser, Senior Vice-President, Corporate Development, and G. B. Waterman, Senior Vice-President, U. S. & International Industrial Group.

Also appointed were: T. S. Drake, Vice-President, Corporate Planning; K. A. F. Gates, Vice-President, Law; J. B. Jolley, Vice-President, Secretary and Solicitor; R. J. Stuart, Vice-President, Personnel and Industrial

Relations; W. W. Carrick, Corporate Controller — Industrial Groups; C. R. Cook, Corporate Controller — Brewing Group; K. Laursen, Assistant Treasurer, M. C. Payne, Assistant Treasurer, and G. Marin, Assistant Secretary.

In November, Paul Bienvenu of Montreal retired from the board after 14 years of valuable service. Mr. Bienvenu was the first businessman, other than senior officers of the company, to serve as a member of the board. Gérard Plourde of Montreal was elected a Director to succeed him. In February, F. H. Sobey of Stellarton, Nova Scotia, was elected to the board.

CORPORATE DEVELOPMENT

The company's corporate development plans have been re-examined during the year in the light of the needs of the enlarged corporation. Long-term plans for the businesses in which we are engaged have been reviewed and recast. Goals for long-term growth have been adjusted and

acquisition concepts and criteria revised to reflect the broader horizons and additional resources.

While we are confident that our present businesses will grow, we recognize that a part of our growth will have to come from businesses to be acquired or new fields to be entered if we are to meet the long-range goals we believe to be appropriate.

A growing corporation must at all times have a management force which is adequate in numbers and competence. The assessment of the company's management manpower position, the projection of its future needs, and the organization and development action to meet these needs are guided and co-ordinated by the manpower resources department.

OUTLOOK

Inflation and rising costs continue to distort the North American economy resulting in serious socio-economic problems.

Governments of both the United States and Canada have taken steps to control these factors by defla-

tionary actions. Industry, working within a narrower range of possible actions, has a part to play in finding solutions to these problems.

Inflation may have to continue at above long-term norms for the short run. We are confident, however, that both government and industry working within the creative and self-balancing flexibility of the free enterprise system, will find solutions that will generate continued growth and the relative prosperity of the past two decades.

We believe that your company is well founded to play its part as a healthy, growing and prosperous enterprise.

In the light of prospects in the markets we serve, we believe that both sales and net earnings in the year ahead will reflect an increase over last year. We are confident, too, of achieving the goals we have established for the future.

On behalf of the Board,



H. deM. Molson
Chairman of the Board



D. G. Willmot
President and Chief Executive Officer

May 26, 1969.

Consolidated Statement of Earnings

YEAR ENDED MARCH 31	1969 \$	1968 \$
SALES	295,575,484	275,354,234
EXCISE AND SALES TAXES — BREWING	70,980,068	61,705,144
	224,595,416	213,649,090
MANUFACTURING, SELLING AND ADMINISTRATIVE COSTS	196,872,321	181,277,722
PROFIT FROM OPERATIONS	27,723,095	32,371,368
INVESTMENT INCOME	2,948,649	1,685,006
EARNINGS BEFORE INCOME TAXES	30,671,744	34,056,374
INCOME TAXES (note 3)	15,000,000	17,200,000
	15,671,744	16,856,374
MINORITY INTEREST	643,318	937,126
NET EARNINGS	15,028,426	15,919,248

Consolidated Statement of Retained Earnings

YEAR ENDED MARCH 31	1969 \$	1968 \$
Opening balance	76,416,937	67,897,037
Adjustment for deferred income taxes (note 3)	3,568,667	3,281,667
	72,848,270	64,615,370
Anthes Imperial Limited dividends for the three months ended March 31, 1968 less net earnings of \$91,177	242,844	
ADJUSTED BALANCE, BEGINNING OF YEAR	72,605,426	64,615,370
Net earnings	15,028,426	15,919,248
	87,633,852	80,534,618
Dividends on common shares — Class "A"	3,977,464	2,853,091
— Class "B"	2,855,634	2,853,091
— Class "C"	577,854	
— Anthes Imperial Limited — prior to share exchange	440,125	1,251,455
	7,851,077	6,957,637
	79,782,775	73,576,981
Excess of purchase price of subsidiary companies acquired during the year over fair value of underlying net tangible assets	1,965,785	728,711
BALANCE, END OF YEAR	77,816,990	72,848,270

Consolidated Balance Sheet

MARCH 31

ASSETS

	1969 \$	1968 \$
CURRENT ASSETS		
Cash and short-term deposits	1,420,312	1,616,670
Marketable securities, at cost (quoted value — \$576,000)	714,541	7,960,815
Accounts receivable	29,030,246	28,194,722
Inventories, valued at cost which does not exceed net realizable value —		
Raw materials and supplies	12,768,141	11,497,985
Work in process and finished goods	27,298,884	25,110,519
Prepaid expenses	2,026,815	2,594,562
	<u>73,258,939</u>	<u>76,975,273</u>
INVESTMENTS		
Shares in other companies, at cost	3,770,056	3,545,377
Advances to other companies	2,656,836	2,628,742
Mortgages and collateral deposits	1,234,755	1,336,609
	<u>7,661,647</u>	<u>7,510,728</u>
FIXED ASSETS (note 4)		
Cost	153,559,144	144,585,846
Accumulated depreciation	83,682,223	77,949,128
	<u>69,876,921</u>	<u>66,636,718</u>
	<u>150,797,507</u>	<u>151,122,719</u>

SIGNED ON BEHALF OF THE BOARD:

H. deM. Molson, Director

D. G. Willmot, Director

LIABILITIES

	1969 \$	1968 \$
CURRENT LIABILITIES		
Bank indebtedness (secured)	4,774,848	5,210,796
Accounts payable and accrued charges	14,902,028	14,621,030
Income taxes	2,338,954	7,407,584
Excise, sales and other taxes	4,733,605	5,029,557
Current instalments on long-term debt	766,162	510,400
	<u>27,515,597</u>	<u>32,779,367</u>
DEFERRED INCOME TAXES (note 3)	<u>5,627,905</u>	<u>5,349,998</u>
LONG-TERM DEBT (note 5)	<u>11,128,492</u>	<u>11,356,590</u>
MINORITY INTEREST	<u>10,759,265</u>	<u>11,034,260</u>

SHAREHOLDERS' EQUITY

CAPITAL STOCK (note 6)	<u>17,949,258</u>	<u>17,754,234</u>
RETAINED EARNINGS	<u>77,816,990</u>	<u>72,848,270</u>
	<u>95,766,248</u>	<u>90,602,504</u>
	<u>150,797,507</u>	<u>151,122,719</u>

Consolidated Statement of Source and Application of Funds

YEAR ENDED MARCH 31	1969 \$	1968 \$
SOURCE OF FUNDS		
Net earnings	15,028,426	15,919,248
Depreciation	6,682,351	6,007,168
Deferred income taxes	277,907	560,835
Funds derived from operations	21,988,684	22,487,251
Proceeds from sale of subsidiary	1,142,134	—
Increase in minority interest	—	231,244
Proceeds of issue of common shares for cash	195,024	499,002
Net decrease in investments	—	160,613
Working capital of subsidiaries acquired	608,241	4,289,730
	<u>23,934,083</u>	<u>27,667,840</u>
APPLICATION OF FUNDS		
Net additions to fixed assets	10,524,540	10,747,881
Net decrease in long-term debt	228,098	943,210
Net increase in investments	150,919	—
Dividends	7,851,077	6,957,637
Cash paid on acquisition of interest in subsidiaries	3,259,890	5,070,821
Decrease in minority interest	39,098	—
Working capital of subsidiary sold	90,181	—
Anthes Imperial Limited dividends for three months ended March 31, 1968 less net earnings	242,844	—
	<u>22,386,647</u>	<u>23,719,549</u>
INCREASE	1,547,436	3,948,291
WORKING CAPITAL, BEGINNING OF YEAR	44,195,906	40,247,615
WORKING CAPITAL, END OF YEAR	45,743,342	44,195,906

Notes to Consolidated Financial Statements

YEAR ENDED MARCH 31, 1969

1. CHANGE IN NAME OF COMPANY

The name of the company was changed to Molson Industries Limited

from Molson Breweries Limited by supplementary letters patent dated September 5, 1968.

2. PRINCIPLES OF CONSOLIDATION

During the year the company acquired 91 percent of the total outstanding common stock of Anthes Imperial Limited in exchange for 2,081,907 Class "A" and 1,258,942 Class "C" common shares of Molson Industries Limited and \$5,902,658 cash. This exchange of shares is considered to be a pooling of the interests of the shareholders of the two companies and the accounts of Anthes Imperial Limited and its subsidiaries have been consolidated following pooling of interests accounting principles.

In July, 1967 the company purchased for cash two-thirds of the out-

standing capital stock of Vilas Industries Limited. The accounts of that company and its subsidiaries have been consolidated following purchase acquisition accounting principles.

In order to provide comparable data for the previous fiscal year the accounts of the companies have been consolidated for their respective fiscal years.

For purposes of consolidation the accounts of the company's foreign subsidiaries have been converted into Canadian dollars at the rates of exchange prevailing at the fiscal year end.

3. DEFERRED INCOME TAXES

The company has adopted the deferral method of income tax allocation. Accordingly, income taxes for the year include a provision of \$277,907 for deferred income taxes. Deferred income taxes in respect of prior

years of \$3,568,667 have been charged to retained earnings. The comparative figures for the previous year have been restated.

4. FIXED ASSETS

	1969	1968
Cost:	\$	\$
Land	5,437,575	4,773,810
Buildings	58,778,274	56,582,282
Machinery and equipment	86,887,094	83,229,754
Construction in progress	2,456,201	—
	<u>153,559,144</u>	<u>144,585,846</u>
Accumulated depreciation	<u>83,682,223</u>	<u>77,949,128</u>
	<u>69,876,921</u>	<u>66,636,718</u>

5. LONG-TERM DEBT

	Total Amount	Current Maturities
	\$	\$
First mortgage bonds, due 1969 to 1978; 5.84% to 10%	1,482,155	281,762
Debentures — unsecured, due 1969 to 1982; 4½% to 6%	7,026,800	484,400
Term bank loans — secured, due after April 1, 1970; 5½% to 8¼%	3,385,699	—
	<u>11,894,654</u>	<u>766,162</u>

6. CAPITAL STOCK

At March 31, 1969 the capital stock of the company comprised:

Authorized:

10,000,000 Class "A" common shares without nominal or par value,

7,000,000 Class "B" common shares without nominal or par value,

1,360,000 Class "C" convertible common shares without nominal or par value,

500,000,000 4% non-cumulative preferred shares of the par value of 1 cent each, redeemable at par either out of capital or under Section 61 of the Canada Corporations Act.

Issued and outstanding:

6,064,102 Class "A" common shares	\$ 9,624,520
3,966,349 Class "B" common shares	6,605,598
1,258,942 Class "C" convertible common shares	1,719,140
	<u>\$17,949,258</u>

6. CAPITAL STOCK — Continued

Changes during the year in authorized and issued capital stock are described below.

Authorized:

By supplementary letters patent dated August 15, 1968 the authorized capital of the company was increased by the creation of 2,000,000 additional Class "A" common shares, 1,000,000 additional Class "B" common shares, 1,360,000 new Class "C" convertible common shares, all without nominal or par value, and 500,000,000 new preferred shares of the par value of 1 cent each.

The holders of Class "A" common shares are entitled, voting separately and as a class, to elect annually three members of the board of directors of the company.

Issued and outstanding:

	CLASS "A"		CLASS "B"		CLASS "C"	
	No.	Value \$	No.	Value \$	No.	Value \$
Balance — March 31, 1968	3,966,084	6,594,766	3,966,084	6,602,423	—	—
Issued in exchange for common shares of Anthes Imperial Limited	2,081,907	2,843,333*	—	—	1,258,942	1,719,140*
Issued for cash under the terms of the employee stock option plan	16,111	186,421	265	3,175	—	—
Balance — March 31, 1969	6,064,102	9,624,520	3,966,349	6,605,598	1,258,942	1,719,140

*Represents the stated value of the common shares of Anthes Imperial Limited acquired, less the cash payment of \$5,902,658 and related expenses, all in accordance with pooling of interests accounting principles.

Stock options:

At March 31, 1969 options to employees were outstanding in respect of Class "A" common shares for 17,745 at \$10.99, 920 at \$11.00, 1,092 at \$11.54, 1,540 at \$12.00, 9,100 at \$12.23 and 728 at \$15.82

The Class "B" and the Class "C" common shares are each fully voting and rank equally as to dividends in any fiscal year with the Class "A" common shares, provided 20 cents per share has been paid or declared in such fiscal year on the Class "A" common shares.

Dividends in respect of the Class "C" common shares may be paid in the form of stock dividends of the preferred shares redeemable out of tax paid undistributed income. Each Class "C" common share may, at the option of the holder, be converted into 1 Class "A" common share after July 1, 1971. Each Class "C" common share shall be converted into 1 Class "B" common share on or before June 30, 1976 or when an aggregate of \$4,292,500 of stock dividends has been paid in respect of Class "C" common shares, whichever shall first occur.

56,652,400 preferred shares were issued as stock dividends on the Class "C" convertible common stock and were redeemed at par for \$566,524.

and in respect of Class "B" common shares for 250 at \$11.00, 670 at \$11.50 and 1,540 at \$12.00. All of the options expire prior to January 1, 1972.

7. STATUTORY INFORMATION

The following items have been charged before determining net earnings for the year:

	\$
Provision for depreciation	6,682,351
Interest on long term-debt including amortization of debenture discount	873,039
Remuneration paid by the company and its subsidiaries to directors of the company:	
— as directors	42,950
— as officers or employees	486,100

In accordance with Section 61 of the Canada Corporations Act \$1,813,023 of the retained earnings has been designated as capital surplus resulting from redemption of preferred shares.

Past service costs of a subsidiary's employee pension plans are being funded over periods not exceeding 30 years. The unfunded liability for such past service costs amounted to approximately \$2,700,000 at March 31, 1969.

We have examined the consolidated balance sheet of Molson Industries Limited and subsidiary companies as at March 31, 1969 and the consolidated statements of earnings, retained earnings and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these consolidated financial statements present fairly the financial position of the companies as at March 31, 1969 and the

results of their operations and the source and application of their funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year, except for the change in the basis of allocation of income taxes, as explained in note 3, with which we concur.

McDONALD, CURRIE & CO.
CHARTERED ACCOUNTANTS

MONTREAL,
MAY 14, 1969



Hon. H. deM. Molson, Chairman of the Board (left)
and D. G. Willmot, President and Chief Executive Officer.

REVIEW OF OPERATIONS

The significant operating achievements and major financial results are recounted in the *Directors' Report to the Shareholders* on page 3. In the following pages is a general *Review of Operations*, discussing management, manufacturing and marketing activities in a broader context.

This review is not made on the basis of the company's administrative structure, i.e., the operating groups. These groups are limited by geographic boundaries, e.g., Brewing Group operation is largely in Canada, the Canadian Industrial Group is solely in Canada, and the U.S. and International Industrial Group, as its name suggests, covers non-brewing operations outside of Canada.

The review is conducted through broad product categories and examines the results of individual product categories in whatever part of the world the product is made and sold.

For better understanding of the markets served by your company, the review has been divided into the following product areas: brewing; construction; petroleum retailing; office equipment, home furniture, school furniture and supplies; industrial products and services.

These products are made in 36 wholly-owned plants, foundries and breweries in 27 communities in Canada, the United States and Italy, and three other facilities operated by affiliated companies in Mexico, Switzerland and the United States.

The company's nine breweries in Canada are located in seven provinces, and have a combined current rated capacity of 4,500,000 barrels a year. Expansion programs, underway or approved, will increase this capacity by nearly 25 percent by 1970. The 27 wholly-owned plants and foundries have a combined floor space of 2,822,400 square feet. In addition, the company operates nearly 1,200,000 square feet of warehousing and distribution service facilities.



BREWING SALES MAINTAIN HIGH LEVEL, DESPITE SLOWER INDUSTRY PACE

The rate of growth of the brewing industry in Canada slowed somewhat from the pace of previous years, largely as a consequence of the nearly four week strike in Ontario. The industry experienced volume losses in Ontario and Saskatchewan, which were

partially offset by gains in Quebec due to the lengthy Quebec Liquor Board closure.

While it was once again a year of intense competition within the Canadian brewing industry, Molson's share of the market



recorded strong gains in Ontario, Manitoba and British Columbia. On a national basis the company's market share was fractionally higher than last year. This success is evidence of the continuing high favor the company's national brands, Molson Export Ale and Molson Canadian Lager Beer, together with its 19 regional brands, enjoy with consumers across the country.

To maintain progress, an active program of expanding and renovating our productive facilities is being continued. New warehouse facilities are planned for Vancouver and for several distribution points in Quebec. In Toronto, the new brewhouse will be completed by next January, and a new \$3,000,000 fermenting and ageing building will be started within the next year. Construction of a new brewhouse in Vancouver is now getting underway.

During the past several months, the price of beer to the consumer has been increased in all Canadian provinces. These increases are a direct result of additional federal and provincial taxes that have been imposed on the brewing industry and its consumers since the beginning of last year.

In the same period, however, brewers received the direct benefit of a price increase in only one province. In the meantime, brewing companies are faced with rising

costs and the problem of maintaining profit margins is a continuing challenge.

In addition to sales in the northeastern and midwestern states, the company also participates in the U.S. market through a 42 percent interest in the Sicks' Rainier Brewing Company of Seattle, Washington.

This company increased its sales in its most recent fiscal year by 6.1 percent and its earnings by 8.4 percent.

As part of a diversification program, Sicks' Rainier has invested nearly \$2,000,000 in the Robert Mondavi Winery and Robert Mondavi Vineyards in the Napa Valley, California. It is anticipated that the Sicks' investment in these companies will increase in the future as the Mondavi organization expands to meet the growing demand for fine wines in the United States.

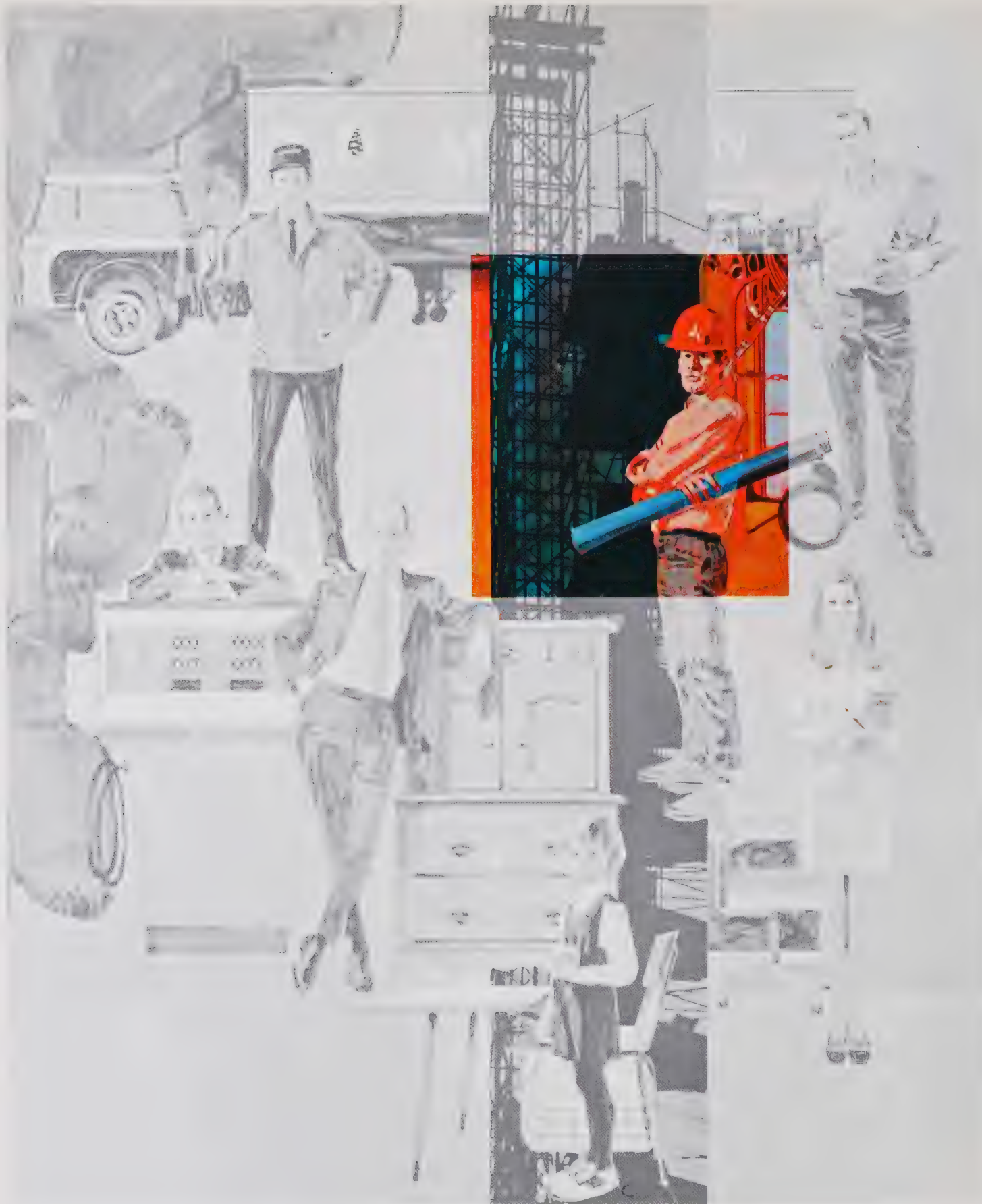
Considerable interest was focused during the past year on the influence that governments, through regulations and price controls, can have on drinking patterns. The report of the Co-operative Commission on the Study of Alcohol, which was established by a grant from the National Institute of Mental Health in the United States, is designed to provide guidelines for dealing with alcohol problems in a modern society. The findings, taken together with the desire for modernization of many of the laws

governing the sale and consumption of the products of the brewing industry, hold considerable importance for our industry and for our society. Hopefully, these will influence the thinking and the actions of our governments in this regard in the future.

In Quebec and British Columbia, commissions are currently underway and their reports may result in legislation affecting the brewing industry. At the same time, the government of Ontario has been undertaking a legislative review and certain changes affecting hours of sales have already been announced.

The company sees a good year ahead for the brewing industry in Canada. From last year's slightly depressed base we can expect growth in total volume of approximately four percent; somewhat above the long-term annual growth rate of the industry. We are confident that the quality of our products and the skills of our people will result in an increase in our share of this larger market.

- a. Molson's national brands
- b. Modern filtering systems assure constant quality
- c. Gleaming 15,000 gallon copper brew kettle (Toronto brewery)
- d. A port-hole view of natural fermentation stage (Montreal brewery)
- e. Compact coolers rapidly reduce brew temperatures
- f. Ageing, an unhurried art at Molson's (Edmonton brewery)



**CONSTRUCTION MARGINS
LOWERED BY PRICE
WEAKNESS, HIGHER COSTS**

Equipment sales and rentals to the North American construction market are second in total company sales to the consumer brewing market. The company therefore looks for substantial profit contributions from this sizeable area of activity. In 1968, however,

despite a record level of sales of equipment and services to the construction industry, profit margins came under severe pressure due to price weaknesses coupled with unavoidable increases in costs.



d

e

f

While in dollar figures it appeared the construction industry had another year of growth, volume of actual physical construction declined. Excess capacity in certain areas of the industry, compared to demand, was the major contributory factor to lower prices.

As well as this, two Canadian divisions and one U.S. division suffered lengthy strikes through the last quarter of the fiscal year. Costly settlements were reached after weeks of work stoppage and these strikes cost the company volume and profit. The settlements will mean higher costs but management is implementing plans which will involve capital expenditures and product redesign in an effort to offset these higher costs.

In both eastern and western Canada, sales of cast iron soil and water pipe were significantly higher than the previous year. To maintain the company's position as the leading manufacturer of cast iron pipe in the western Canadian market, construction was begun on an addition of 18,000 square feet to the Calgary plant. Production of cement-lined water pipe, from this new facility, will begin in mid-1969.

Although housing starts in Canada were higher, sales of heating products, including furnaces, oil burners and unit heaters, slipped from the high level of the previous year. The reason was a weakness in the household replacement market. A similar condition prevailed with domestic water heaters, although the company maintained its high share of the market. In order to provide a complete line of water heaters to the domestic and commercial markets, a number of new models, including oil-fired units, have been introduced. Trade reaction has been good and should be reflected in increased penetration of these markets in the current year.

Portable heaters, being manufactured in Toronto for the Canadian construction market and in St. Paul for the United States farm market, have already proved their performance and reliability in the field. It is expected that sales of these products will double in the current fiscal year.

Anthes Steel Products was a member of a consortium which was one of 10 successful bidders in the Toronto modular school building program. It bid to provide the design and supply of modular school structures. Production of the first shipment of structural components for these new schools will commence in late summer of 1969.

Sales and rental of construction equipment, through Anthes Equipment, improved over

the previous year. This division now accounts for about 30 percent of the sale and rental of such equipment across Canada. Personnel and material hoists and towers, climbing cranes, and concrete shoring equipment, all recorded good gains. Scaffolding lines alone encountered a static market.

The construction industry is placing greater emphasis on design and application services. As the only company selling or renting scaffolding and related equipment from coast-to-coast, Anthes Equipment is in a unique position to provide and profit from the services being sought.

- a. Anthes scaffolding helps Ontario's highway building program
- b. Pipe fitting cores are stacked after "curing"
- c. Anthes Hi-rise hoist tower (Toronto-Dominion Centre)
- d. Preparing to pour molten metal (St. Jean, Que. foundry)
- e. Sling Spin machine centrifugally casting pipe (Winnipeg foundry)
- f. 10 ft. "MJ" mechanical joint soil pipe ready for shipment



CHANGES IN SERVICE STATION DESIGN KEEP GASOLINE PUMP SALES HIGH

The company, through the Bennett pump manufacturing operations in Canada, United States, Italy, Switzerland and Mexico, continued to expand its manufacture and sale of gasoline pump and service station retail equipment in world markets.

In the United States, the company increased its share of market to an all-time high. It is one of the four major gasoline pump manufacturers in that country which account for about 80 percent of total sales volume.



a



b



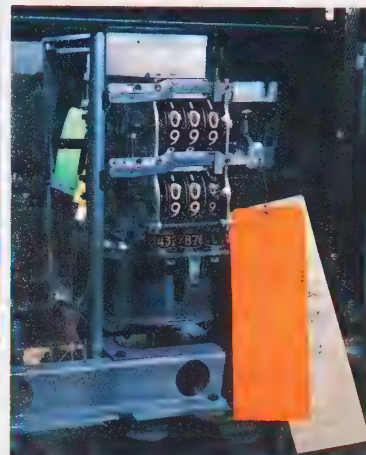
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The company also increased its share of the Canadian market. Large orders were written in the final quarter of the year, both for gasoline service station pumps and service station underground tankage. The company, therefore, entered the current fiscal year in its Canadian operations with a high order backlog.

Bennett-Italiana, the company's wholly-owned subsidiary in Milan, Italy, continued to grow. It now has the largest share of the non-government Italian gasoline pump market.

Through its Italian company, sales were made throughout the European Common Market and to parts of Africa.

Sales to countries represented in the European Free Trade area were made through an affiliated company in Switzerland, Bennett & Sauser A.G. This company also has a major share of the domestic Swiss market for gasoline pumps and other service station retail equipment.

The company also sold on a world-wide basis by direct export, to countries not served by its European subsidiary and affiliate, from its major gasoline pump facility at Muskegon, Michigan.

The company's affiliate in Mexico, Industrias Guillermo Murguia Co., continued to improve its position and again reported increased sales and profit. The Mexican market holds promise of continuing growth.

Because of competition in the gasoline retail industry, all oil companies are making changes in service station design, location and products sold. There is a trend to fewer, but larger multi-product retailing centres, rather than the former smaller and more numerous service stations.

This has not reduced the size of the gasoline pump market for, while service stations are becoming fewer in number, they have more gasoline retailing pumps per station. There is an acceleration of pump replacement as oil companies upgrade their service stations.

This program of service station relocation and upgrading has also assisted the sale of other service station retailing equipment, such as the Tireflator, the company's exclusive automatic tire-inflating device.

Part of the company's success to date has been its ability to develop new products and the advanced designs of its gasoline pumps. To meet other new developments in gasoline retailing, the company has begun manufac-

ture of money-operated self-service pumps, gasoline blending dispensers, prepay and postpay pumping equipment and automated truck stop pump equipment.

The company is also participating in two long-range basic research and development programs involving members of the oil industry and the automotive industry.

In association with several major oil companies and independent research firms, the company is investigating methods of automating service station transactions.

With automotive companies and oil companies, the Bennett group is carrying out research directed towards eliminating the air pollution that currently results when an automobile's gasoline tank is filled at a service station.

- a. Painted parts and panels are baked at 265 degrees
- b. Arc welding of gasoline pump chassis components
- c. Bennett Italiana's Milan plant supplies European markets
- d. Gleaming Tireflators assembled for final inspection
- e. Gasoline pumps ready for packaging (Muskegon, Mich. plant)
- f. Pump chassis with gallonage and money computer in foreground



**SALES OF HOME AND
OFFICE FURNITURE END
YEAR IN STRONG UPTREND**

Office furniture and equipment encountered strong competitive pressures throughout the year. Recent heavy capital investment in the Canadian office equipment industry has resulted in the expansion of manufacturing capacity to a level which will not be used to

its full extent for several years.

The company anticipated this situation and, despite general price levels which tended to depress margins, controlled costs and maintained reasonably attractive earnings.



With a coast-to-coast network of branches which sell directly to major customers, the company's Office Specialty division is in an excellent position to maintain its lead in new ideas and designs in office furnishings and equipment.

An example of this leadership is Office Specialty's pioneering of the introduction to the Canadian market of office "landscaping". Office landscaping not only results in a more economic use of space, but also encourages more effective work performance. With this new concept there must, of course, be new approaches to furniture design. The company continues to invest in the further development of furniture and equipment systems.

Coincidental with the creation of new office work environments has been the evolution of better systems for the processing, storage and retrieval of information. Notwithstanding the use of electronics, paper continues to be the most popular medium for recording and exchange of information.

Sales of paper-oriented information systems were maintained at the previous year's level. Sales of filing and retrieval systems for hard copy documents increased. Anthes Business Forms, which has established a solid position in a market dominated by two large competitors, continued to show promise. The installation of additional press capacity this year permitted the company to seek large orders of computer print-out forms.

In the Canadian household furniture industry, the company's subsidiary, Vilas Industries Limited, is a leader. Vilas manufactures a broad line of colonial and contemporary home furniture in Cowansville, Que., and upholstered furniture is produced at Farnham, Que. Slow market conditions prevailed in the first half of 1968, but became very strong in the last half. As a consequence, a high order position prevailed at year-end.

Production at the start of calendar 1969 was double that of the same period the year before. It is expected this trend will continue throughout the current fiscal year. In anticipation of this, production staff has been increased by 40 percent.

Additional colonial designs and new traditional groupings were introduced during the year. Demand for *La-Z-Boy* reclining rockers, manufactured by a subsidiary, continued to be strong. New facilities for this operation were acquired and will more than double production capacity.

The Moyer division of Vilas manufactures and distributes school furniture, equipment and educational supplies on a national scale. Moyer carries a line of over 7,000 school items, many of which are imported, with a number of teaching aids being under an exclusive franchise.

Moyer also distributes throughout Canada a broad range of Vicometal *Tru-Line* school furniture and chalkboard manufactured in

Vilas' three plants at Farnham and Waterloo, Que., and Elmira, Ont. *Tru-Line* products were specified last year by school architects in the Caribbean and the United States.

With the exception of a few specialty lines of school furniture manufactured under licencing arrangements, all products are designed and engineered within the company. Two "Design Canada" awards were won by this division in 1968.

Many industries are finding a need for continued training seminars at all levels. Much of the equipment sold by Moyer is ideal for these programs.

- a. "Danos" steel desk in final assembly stage
- b. Grinding steel desk pedestals (Office Specialty plant, Holland Landing, Ont.)
- c. Quality controller inspects furniture finish (Vilas plant, Cowansville, Que.)
- d. A token selection of Vilas' distinctive furniture
- e. Office Specialty-designed furniture and equipment
- f. Modern classroom features Moyer division school supplies



INDUSTRIAL PRODUCTS GAIN IN MOST NORTH AMERICAN AREAS

The company's broad line of industrial products generally made gains last year in North America.

The demand for tanks and pressure vessels produced at Conshohocken, Pennsylvania, continued to be strong in its market, the

northeastern states. The volume of air, sanitation, storage, water treatment and expansion tanks remained at a high level throughout the year. The Conshohocken facilities operated at near capacity to produce carbon and stainless steel tanks.



The manufacture, at St. Catharines, of engineered specialty products used by process industries, continued at high levels. The company's line of brass valves was discontinued during the year and manufacturing equipment was rearranged to produce certain specialty products, with above average growth potential.

The beverage equipment industry is characterized by growth and attractive profits. The company's Multiplex division at St. Louis, Missouri, serves the soft drink dispensing equipment market. Much of its effort during the year was devoted to the development and introduction of new products. The largest expenditure related to a new frozen carbonated beverage machine.

The frozen carbonated beverage drink is the first major innovation in carbonated beverages in 80 years. Industry sources expect sales of frozen beverages to reach 10 percent of total soft drink sales by 1975.

Multiplex is also developing a full line of remote refrigeration units to serve a multiple dispensing head through a patented Multiplex-designed connection.

The market outlook for Multiplex products remains high with the continued rapid expansion of restaurant and drive-in chains in North America.

Through its Seaway division, Molson operates the largest distribution-warehousing company in Canada. Seaway's five warehouses in Montreal provide 900,000

square feet of storage space and represent 30 percent of the total available commercial distribution-warehouse space in the Montreal area.

To meet the potential of this fast-growing industry, the company has constructed a new warehouse of 288,000 square feet in metropolitan Toronto. It commenced operations in 1969 and should be operating at capacity before the current fiscal year ends.

Additional property has been acquired in Toronto and plans are currently being studied for further expansion of Seaway's facilities at the new location.

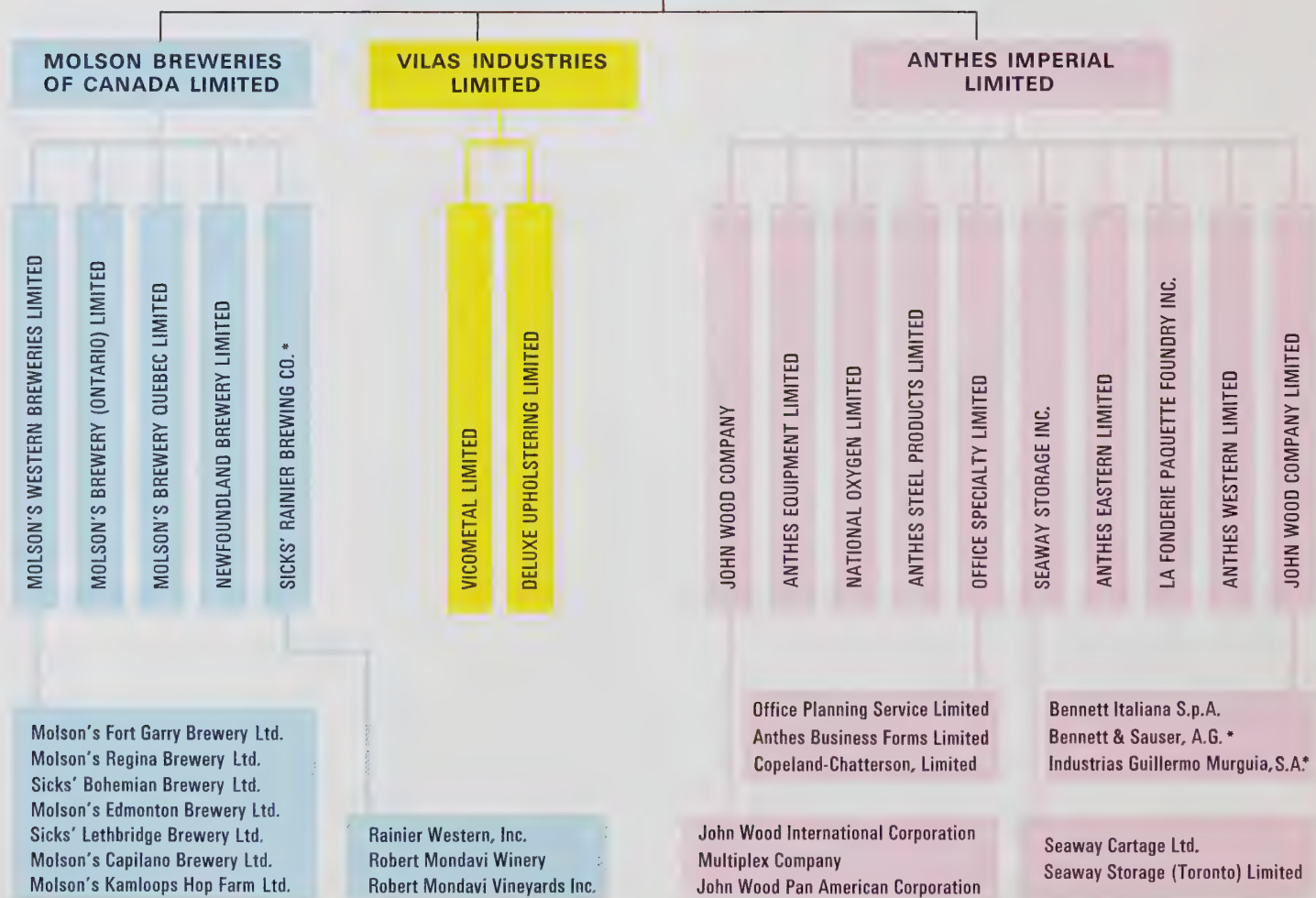
- a. Giant 288,000 sq. ft. Seaway warehouse in Toronto nears completion
- b. Auxiliary gasoline tanks for farm equipment await shipment
- c. Newly-introduced portable heater (St. Paul, Minn. plant)
- d. Glass-lined inner tanks for water heaters enter furnace (Toronto plant)
- e. Propane gas tanks prepared for delivery (Winnipeg plant)
- f. Assembling beverage dispensers (Multiplex plant, St. Louis, Mo.)

Production of stainless steel beer barrels was commenced during the year at the St. Paul, Minnesota plant. These have been well received by the brewing industry in the United States and it is expected that demand will increase. A significant portion of the capacity of the St. Paul plant was devoted to the production of defence material for the United States government.

Custom castings are beginning to play an important role in the foundry operations of the company in eastern and western Canada. Capital investment in manufacturing equipment has provided facilities to produce castings for the automotive markets in Canada and the United States. Sales of custom castings in general have grown rapidly.

Another area in which the company is beginning to show favorable results is that of short line agricultural equipment. The agricultural market is generally unsettled in Canada and the United States, and farmer purchases of farm equipment are down from the peaks of 1965 and 1966. However, chaff savers, straw choppers, stock shredders, and similar machines produced in Winnipeg for use on Canadian and American farms, have been well received.

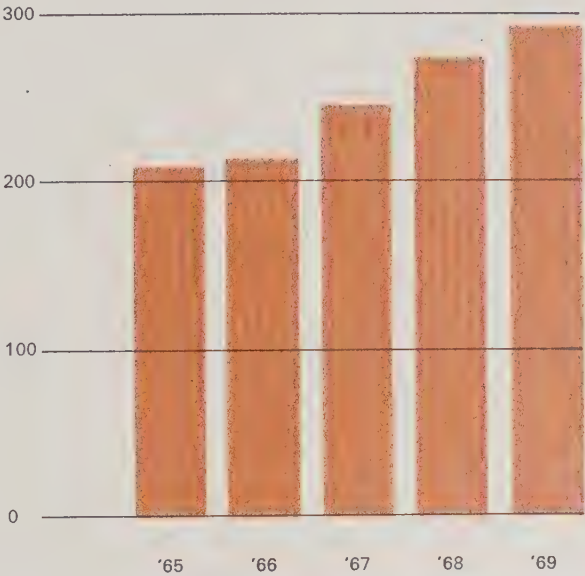
MOLSON INDUSTRIES LIMITED



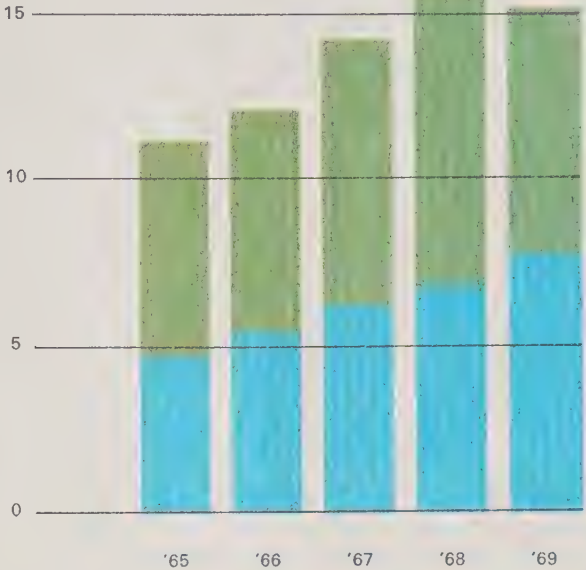
The above chart shows the principal operating companies of Molson Industries Limited. It is not intended to reflect precise legal, financial or management relationships.

*Affiliated Company

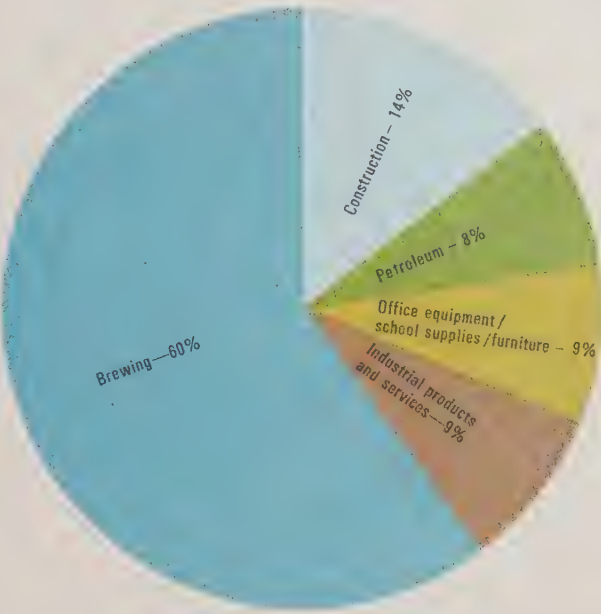
SALES
in millions of dollars



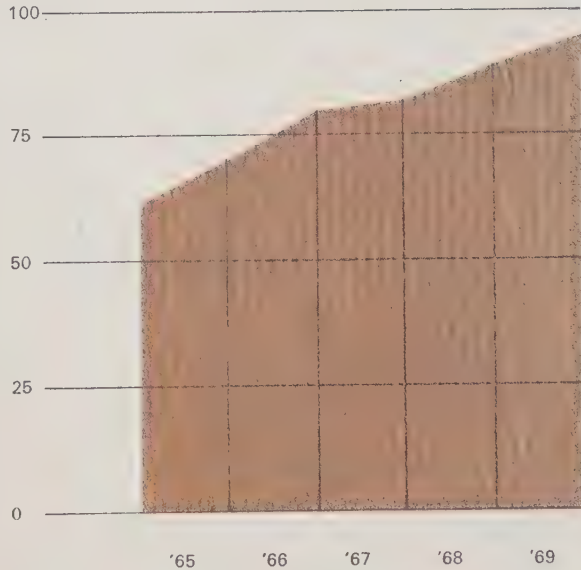
NET EARNINGS
DIVIDENDS
in millions of dollars



SALES
by product group — 1969



SHAREHOLDERS' EQUITY
in millions of dollars



Operating and Financial Record

	1969 \$	1968 \$	1967 \$
Sales	295,575,484	275,354,234	244,709,298
Excise & sales taxes — brewing	70,980,068	61,705,144	57,399,024
Profit from operations	27,723,095	32,371,368	29,572,555
Interest on long-term debt	873,039	816,358	625,825
Investment income	2,948,649	1,685,006	1,350,790
Income taxes — current	14,722,093	16,639,165	15,508,655
— deferred	277,907	560,835	268,345
Total	15,000,000	17,200,000	15,777,000
Net earnings	15,028,426	15,919,248	14,391,432
Cash flow	22,234,682	22,926,450	20,505,984
Dividends on Molson "A", "B" & "C" shares	7,410,952	5,706,182	5,057,266
Anthes — prior to share exchange (91%)	440,125	1,251,455	1,064,190
Total	7,851,077	6,957,637	6,121,456
Net earnings per "A", "B" & "C" share	1.33	1.41	1.28
Cash flow per "A", "B" & "C" share	1.97	2.03	1.83
Dividends per "A", "B" & "C" share	.72	.72	.64
Shareholders' equity per "A", "B" & "C" share	8.48	8.04	7.34
Depreciation & amortization	6,682,351	6,007,168	5,578,996
Net additions to fixed assets	10,524,540	10,747,881	7,584,537
Working capital	45,743,342	44,195,906	40,247,615
Total assets	150,797,507	151,122,719	132,977,232
Debt	11,128,492	11,356,590	10,186,899
Minority interest	10,759,265	11,034,260	9,006,208
Shareholders' equity	95,766,248	90,602,504	82,235,937
Number of "A", "B" & "C" shares outstanding	11,289,393	11,272,385	11,207,467
Number of shareholders	13,252		
Number of employees	7,500		

NOTES: 1. Dividends per "A", "B" & "C" shares record the dividend rate of Molson Industries Limited. All other data has been restated to reflect the acquisition of 91 percent of the outstanding common stock of Anthes Imperial Limited and the consolidation on a pooling of interests basis of the relevant data of that company, all as referred to in note 2 of the notes to the consolidated financial statements.

2. The fiscal year end of Anthes Imperial Limited has been changed from December 31 to March 31 to correspond with the fiscal year end of Molson Industries Limited, commencing January 1, 1969. Data for the 1969 fiscal year consolidates data of each company for the 12 months ended March 31, 1969. For the fiscal periods ending March 31, 1964 through 1968, the record incorporates

1966 \$	1965 \$	1964 \$	1962 \$	1961 \$	1960 \$
216,811,765	210,232,715	154,946,757	140,443,404	126,772,065	120,798,069
51,766,501	49,805,931	47,531,114	43,846,758	40,690,729	39,654,456
25,879,748	23,379,506	19,255,366	17,714,246	16,251,999	15,658,503
1,055,701	1,290,055	917,942	342,248	128,877	100,943
1,444,245	1,254,905	799,653	863,325	802,488	627,857
13,744,141	12,268,984	9,694,000	9,282,600	8,204,200	7,909,500
379,359	403,016	289,000	326,400	332,400	171,200
14,123,500	12,672,000	9,983,000	9,609,000	8,536,600	8,080,700
12,322,385	11,079,764	9,419,047	8,872,454	8,350,262	8,084,062
18,978,949	18,109,763	15,011,763	13,454,795	12,497,732	11,827,892
4,340,378	4,335,716	3,932,456	3,930,835	3,533,444	3,532,022
878,616	584,368	324,407	266,808	227,132	221,417
5,218,994	4,920,084	4,256,863	4,197,643	3,760,576	3,753,439
1.13	1.02	.93	.89	.84	.81
1.74	1.67	1.49	1.34	1.25	1.19
.55	.55	.50	.50	.45	.45
7.44	6.72	6.23	6.61	6.26	5.83
6,056,470	6,483,191	5,234,505	4,194,019	3,764,801	3,537,583
5,590,704	5,002,480	4,073,950	8,213,801	4,303,702	4,017,987
33,570,782	24,354,712	20,201,316	16,961,274	15,777,936	12,226,100
119,084,945	114,581,951	90,058,896	82,023,962	75,262,139	73,837,608
10,671,299	20,582,574	15,720,000	6,010,000	2,390,000	1,810,000
8,785,493	8,641,812	8,572,601	8,510,681	8,460,412	8,425,635
81,010,303	72,732,559	62,750,225	66,280,863	62,550,557	57,916,738
10,884,581	10,818,203	10,078,340	10,021,840	9,998,792	9,941,441

data of Anthes for its fiscal years ended three months earlier.

In the fiscal years 1960 through 1962, Molson's fiscal year end was September 30 and the consolidated record for these years combines data of Anthes for its year ended the following December 31.

The fiscal period of Molson ended March 31, 1963, was one of six months as the

result of its change of fiscal year end from September 30 to March 31. No combined data is presented for this period.

3. The number of "A", "B" & "C" common shares outstanding has been restated to reflect the subdivision of shares in 1966 and the issue of shares in exchange for those of Anthes Imperial Limited in September, 1968.

DIRECTORS

*T. H. P. MOLSON, *Montreal*
*HON. H. deM. MOLSON, *Montreal*
*H. N. BAWDEN, *Toronto*
*J. T. BLACK, *Montreal*
*P. D. CURRY, *Winnipeg*
W. P. FRANKENHOFF, *New York*
D. S. HARVIE, *Calgary*
D. LAKIE, *Toronto*
ROGER LÉTOURNEAU, *Q.C., Quebec*
*M. McCAMMON, *Q.C., Toronto*
H. C. F. MOCKRIDGE, *Q.C., Toronto*
J. D. MOLSON, *Montreal*
*E. H. ORSER, *Toronto*
GÉRARD PLOURDE, *Montreal*
F. H. SOBEY, *Stellarton*
G. B. WATERMAN, *Toronto*
N. E. WHITMORE, *Regina*
*D. G. WILLMOT, *Toronto*

*Member of the Executive Committee

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G. M. WINTER, *President*

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Anthes Equipment Division
W. J. GLUCK, *General Manager*

Anthes Steel Products Division
D. H. MUNRO, *General Manager*

Anthes Western Division
W. A. FARNELL, *Vice-President and General Manager*

National Oxygen Division
A. BLACK, *General Manager*

Office Specialty Division
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Vilas Industries Division
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Bennett Pump Division
P. W. KESSEN, *Sr. Vice-President and General Manager*

Bennett-Italiana Division
Dr. U. BERETTA, *Managing Director*

Industrial Products Division
H. B. FRANCE, *General Manager*

Multiplex Division
W. E. BERGMANN, *Vice-President and General Manager*

Seaway Division
R. GOLDSMITH, *General Manager*

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R. B. STEVENSON, *Vice-President and General Manager*

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Halifax, Montreal, Toronto, Calgary and Vancouver

TRANSFER AGENT

THE ROYAL TRUST COMPANY
Halifax, Montreal, Toronto, Calgary and Vancouver

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- J. P. G. KEMP, président
- Division du Québec
- C. M. ROBERT, président
- Division de Terre-Neuve
- G. M. WINTER, président

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- Division Anthes Equipment
- W. J. GLUCK, directeur général
- Division Anthes Steel Products
- D. H. MUNRO, directeur général
- Division Anthes Western
- W. A. FARNELL, vice-président et directeur général
- Division National Oxygen
- A. BLACK, directeur général
- Division Office Specialty
- G. C. BERRY, vice-président et directeur général
- Division Industries Vilas
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- Division Bennett Pump
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- Division Bennett-Italiana
- Dr. U. BERETTA, directeur général
- Division Industrial Products
- H. B. FRANCE, directeur général
- Division Multiplex
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- Division Seaway
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- Division Superior
- R. B. STEVENSON, vice-président et directeur général

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- Halifax, Montréal, Toronto, Calgary et Vancouver
- COMPTABILITÉ DES TRANSFERTS
- COMPAGNIE TRUST ROYAL
- Halifax, Montréal, Toronto, Calgary et Vancouver
- VÉRIFICATION
- McDONALD, CURRIE & CIE.

Pour les exercices financiers terminés le 31 mars de 1964 à 1968, les chiffres font état des comptes de Anthes pour ses exercices financiers terminés trois mois plus tôt. De 1960 à 1962, l'exercice financier de Molson se terminait le 30 septembre et les chiffres consolidés de ces années comprennent les comptes de Anthes pour son exercice terminé le 31 décembre suivant.

L'exercice financier de Molson terminé le 31 mars 1963 n'a été que de six mois par 1968.

3. Le nombre des actions ordinaires "A", "B" et "C" en circulation a été redressé de façon à tenir compte de la subdivision d'actions en 1966 et de l'émission d'actions en contrepartie des actions de Anthes Imperial Limited en septembre 1968.

Les comptes de cette période ne sont pas réunis.

Le nombre des actions ordinaires "A", "B" et "C" en circulation a été redressé de façon à tenir compte de la subdivision d'actions en 1966 et de l'émission d'actions en contrepartie des actions de Anthes Imperial Limited en septembre 1968.

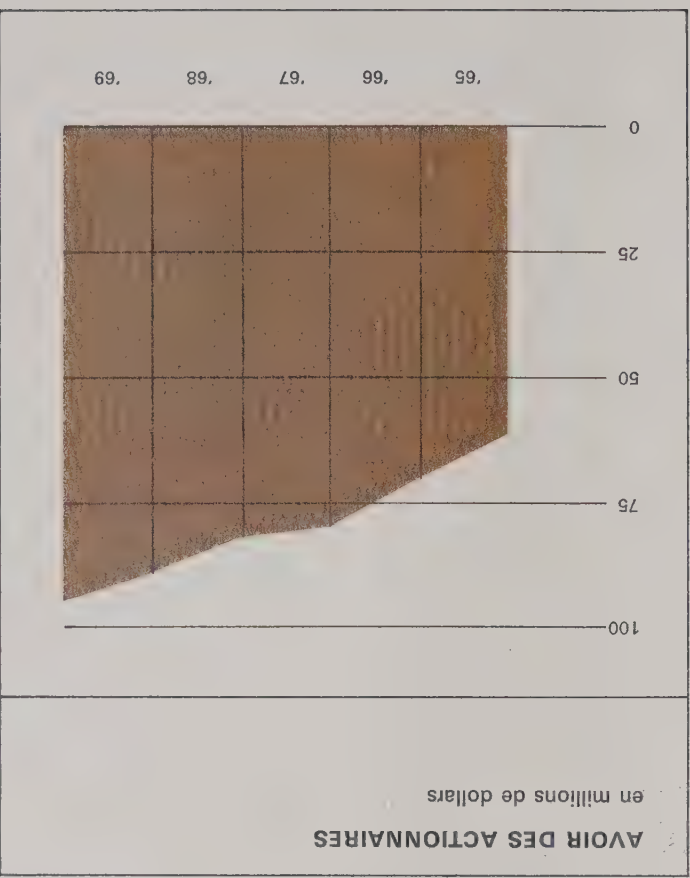
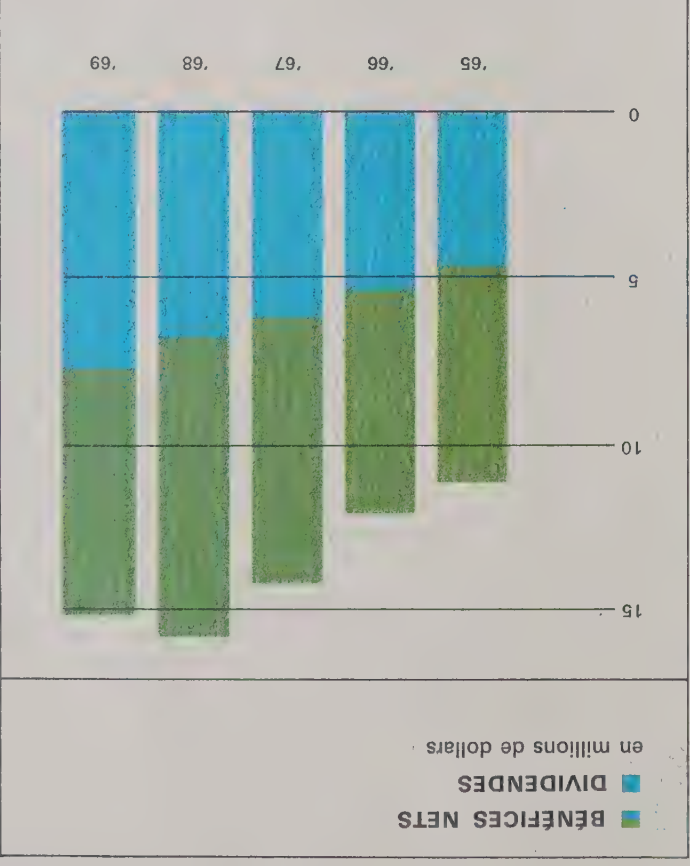
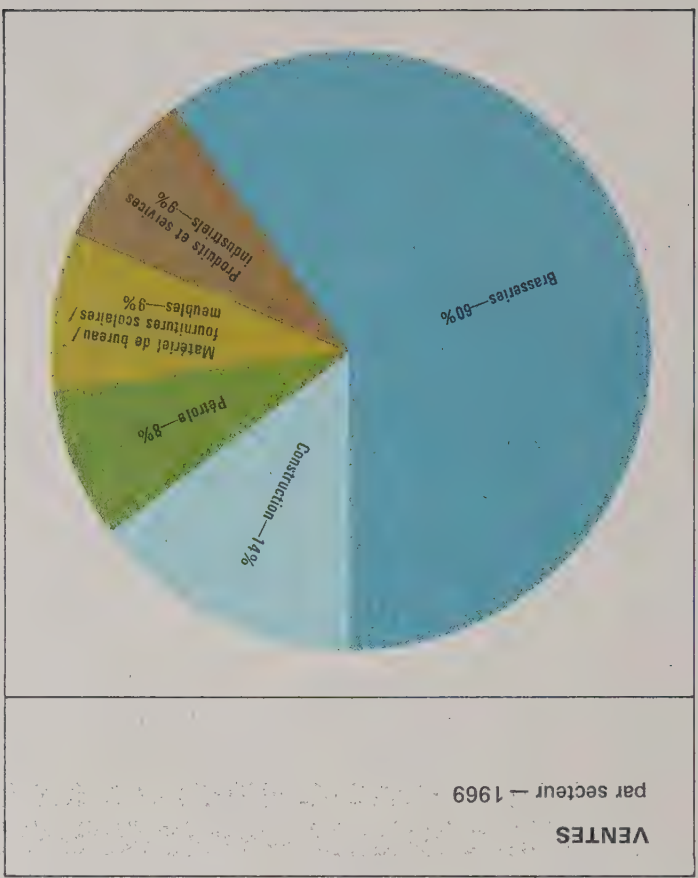
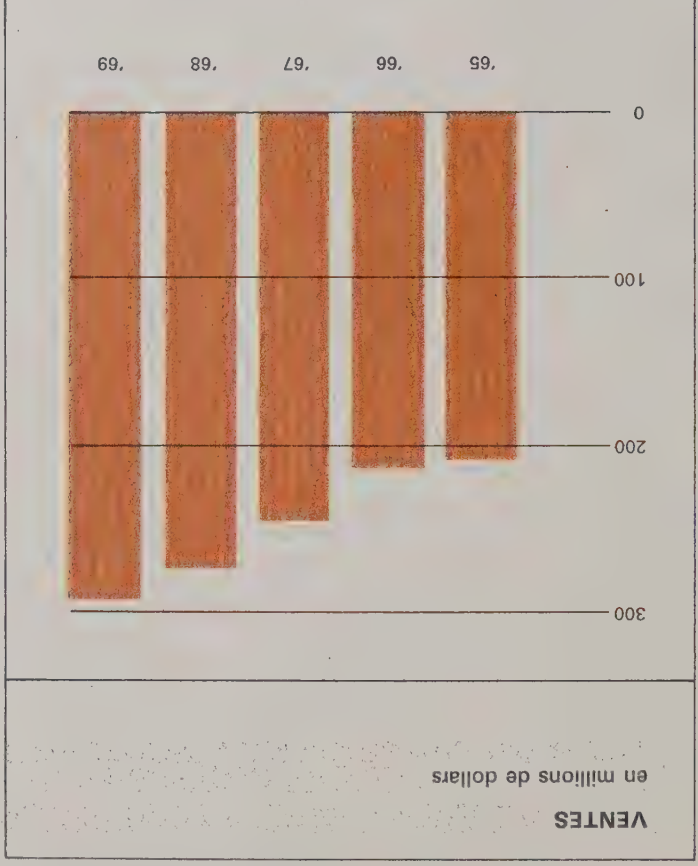
1966	\$	216,811,765	210,232,715	154,946,757	140,443,404	126,772,065	120,798,069
1965	\$	51,766,501	49,805,931	47,531,114	43,846,758	40,690,729	39,654,456
		25,879,748	23,379,506	19,255,366	17,714,246	16,251,999	15,658,503
		1,055,701	1,290,055	917,942	342,248	128,877	100,943
		1,444,245	1,254,905	799,653	863,325	802,488	627,857
		13,744,141	12,268,984	9,694,000	9,282,600	8,204,200	7,909,500
		379,359	403,016	289,000	326,400	332,400	171,200
		14,123,500	12,672,000	9,983,000	9,609,000	8,536,600	8,080,700
		12,322,385	11,079,764	9,419,047	8,872,454	8,350,262	8,084,062
		18,978,949	18,109,763	15,011,763	13,454,795	12,497,732	11,827,892
		4,340,378	4,335,716	3,932,456	3,930,835	3,533,444	3,532,022
		878,616	584,368	324,407	266,808	227,132	221,417
		5,218,994	4,920,084	4,256,863	4,197,643	3,760,576	3,753,439
1964	\$						
1962	\$						
1961	\$						
1960	\$						
		6,056,470	6,483,191	5,234,505	4,194,019	3,764,801	3,537,583
		5,590,704	5,002,480	4,073,950	8,213,801	4,303,702	4,017,987
		33,570,782	24,354,712	20,201,316	16,961,274	15,777,936	12,226,100
		119,084,945	114,581,951	90,058,896	82,023,962	75,262,139	73,837,608
		10,671,299	20,582,574	15,720,000	6,010,000	2,390,000	1,810,000
		8,785,493	8,641,812	8,572,601	8,510,681	8,460,412	8,425,635
		81,010,303	72,732,559	62,750,225	66,280,863	62,550,557	57,916,738
		10,884,581	10,818,203	10,078,340	10,021,840	9,998,792	9,941,441

Tableau des résultats d'exploitation
et de la situation financière

	1969	1968	1967
Ventes	295,575,484	275,354,234	244,709,298
Taxes d'accise et de vente — brasseries	70,980,068	61,705,144	57,399,024
Bénéfice d'exploitation	27,723,095	32,371,368	29,572,555
Intérêts sur dette à long terme	873,039	816,358	625,825
Revenu de placements	2,948,649	1,685,006	1,350,790
Impôts sur le revenu — à payer	14,722,093	16,639,165	15,508,655
— reportés	277,907	560,835	268,345
Total	15,000,000	17,200,000	15,777,000
Bénéfice net	15,028,426	15,919,248	14,391,432
Flux monétaire	22,234,682	22,926,450	20,505,984
Dividendes sur actions Molson "A", "B" et "C"	7,410,952	5,706,182	5,057,266
Anthes — avant l'échange d'actions (91%)	440,125	1,251,455	1,064,190
Total	7,851,077	6,957,637	6,121,456
Bénéfice net par action "A", "B" et "C"	1.33	1.41	1.28
Flux monétaire par action "A", "B" et "C"	1.97	2.03	1.83
Dividendes par action "A", "B" et "C"	.72	.72	.64
Avoir des actionnaires par action "A", "B" et "C"	8.48	8.04	7.34
Amortissement	6,682,351	6,007,168	5,578,996
Montant net des nouvelles immobilisations	10,524,540	10,747,881	7,584,537
Fonds de roulement	45,743,342	44,195,906	40,247,615
Actif global	150,797,507	151,122,719	132,977,232
Dette	11,128,492	11,356,590	10,186,899
Intérêts minoritaires	10,759,265	11,034,260	9,006,208
Avoir des actionnaires	95,766,248	90,602,504	82,235,937
Nombre d'actions "A", "B" et "C" en circulation	11,289,393	11,272,385	11,207,467
Nombre d'actionnaires	13,252		
Nombre d'employés	7,500		

NOTES : 1. Les dividendes par action "A", "B" et "C" établissent le taux des dividendes des Industries Molson Limitée. Tous les autres comptes ont été révisés de façon à faire état de l'acquisition de 91 pour cent des actions ordinaires en circulation de Anthes Imperial Limited et de la consolidation, selon les procédés de la fusion des intérêts communs, des comptes pertinents de cette compagnie, le tout selon l'explication contenue dans la note 2 des notes relatives aux états

financiers consolidés.
2. La fin de l'exercice financier de Anthes Imperial Limited a été portée du 31 décembre au 31 mars, afin qu'elle corresponde à celle des Industries Molson Limitée, à compter du 1er janvier 1969. Les comptes de l'exercice financier 1969 consistent les comptes de chaque compagnie pour les 12 mois terminés le 31 mars 1969.





LES INDUSTRIES MOLSON LIMITÉE

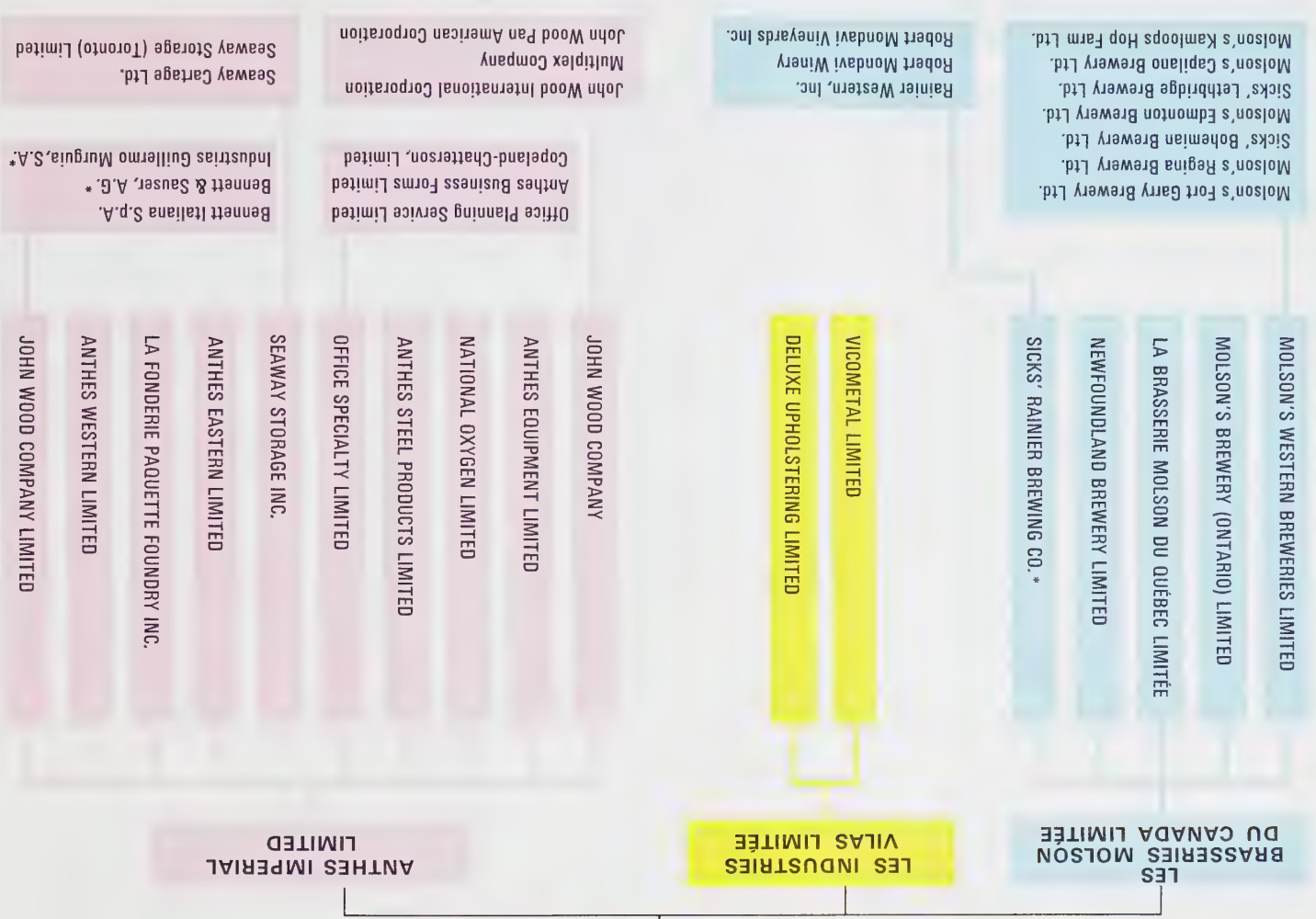
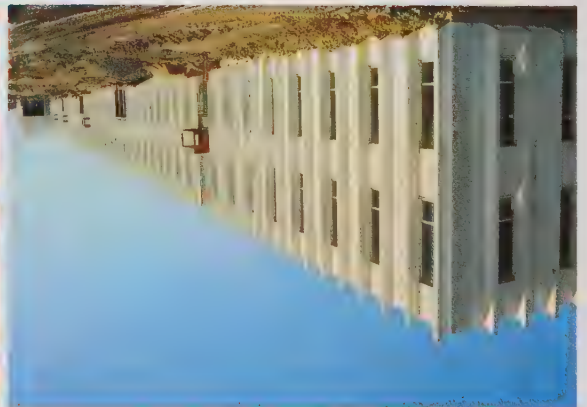
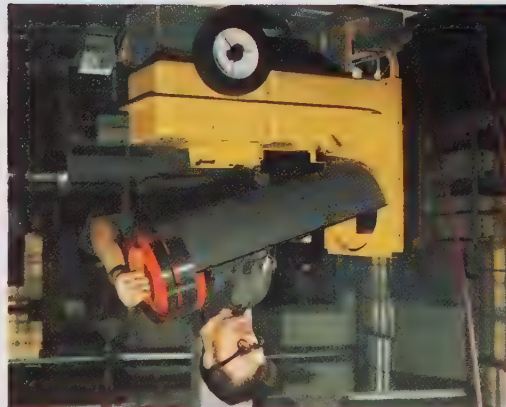


Tableau des principales compagnies d'exploitation des Industries Molson Limitée. Ce tableau ne constitue pas un schéma des structures financières ou administratives.

*Compagnie affiliée



plein rendement pour fabriquer des réservoirs d'acier inoxydable.

L'usine de St. Paul, Minnesota, a commencé de produire des barils de bière en acier inoxydable au cours de l'année. L'industrie de la bière aux États-Unis les a bien accueillis et l'on prévoit que la demande grandira. Une part importante des ressources de l'usine de St. Paul a été consacrée à la production de matériel de défense destiné au gouvernement des États-Unis.

Les pièces moulées hors série commencent à occuper une place importante dans l'exploitation des fonderies de la compagnie à l'est et à l'ouest du Canada. Des immobilisations en équipement de fabrication ont permis de produire des pièces moulées destinées aux marchés de l'automobile du Canada et des États-Unis. En général, les ventes de pièces moulées hors série se sont accrues rapidement.

Les instruments aratoires constituent un autre secteur où la compagnie commence à enregistrer des résultats favorables. Le marché agricole est instable dans l'ensemble au Canada comme aux États-Unis, et les ventes de matériel agricole sont inférieures aux chiffres élevés de 1965 et 1966. Cependant, un matériel agricole spécialisé fabriqué à Winnipeg à l'intention des fermiers canadiens et américains a trouvé facilement preneurs.

L'usine de St. Catharines, qui fabrique des produits mécaniques spécialisés pour les industries de transformation, a connu une autre année très active. Elle a abandonné la fabrication des soupapes de cuivre au cours de l'année et adapté sa machinerie à la production spécialisée, qui offre d'excellentes possibilités.

La fabrication du matériel de distribution des eaux gazeuses se signale par sa croissance et ses bénéfices. La division Multiplex de la compagnie, à St. Louis, Missouri, dessert le marché des distributeurs d'eaux gazeuses. Au cours de l'année, elle s'est employée à créer et distribuer de nouveaux produits. Le plus important déboursé avait trait à un nouveau distributeur d'eaux gazeuses congelées.

Il s'agit de la première innovation d'importation dans le domaine des eaux gazeuses depuis 80 ans. Les experts de cette industrie prévoient que la vente des eaux gazeuses congelées représentera 10 pour cent des ventes totales de l'industrie en 1975.

Multiplex met également au point une série complète de cellules de réfrigération à distance reliées à un distributeur multiple au moyen d'un dispositif breveté, conçu par Multiplex.

Les perspectives commerciales, en ce qui a trait aux produits Multiplex, demeurent excellentes, en raison de la multiplication rapide des chaînes de restaurants et de "drive-ins" en Amérique du Nord.

On a acquis des propriétés additionnelles à Toronto et l'on étudie présentement des projets visant à y installer d'autres ressources Seaway.

- a. Entrepôt géant Seaway de 288,000 pi. ca. en voie d'achèvement à Toronto
- b. Réservoirs de ferme prêts pour l'expédition
- c. Radiateur portatif d'un genre nouveau (usine de St. Paul, Minn.)
- d. Enveloppe intérieure de chauffe-eau mise au four (usine de Toronto)
- e. Réservoirs de gaz propane prêts pour la livraison (usine de Winnipeg)
- f. Montage de distributeurs de boisson (usine Multiplex, St. Louis, Mo.)

LES PRODUITS INDUSTRIELS EN PROGRÈS DANS LA PLUPART DES SECTEURS NORD-AMÉRICAINS

L'an dernier, la vaste gamme de produits industriels de la compagnie ont progressé, dans l'ensemble, en Amérique du Nord. La demande de réservoirs fabriqués à Conshohocken, Pennsylvanie, est demeurée élevée dans le marché de ces produits, qui

correspond aux États du nord-est. Les ventes des divers types de réservoirs — d'air, d'assainissement, d'entreposage et de traitement de l'eau — se sont maintenues à un haut volume toute l'année. Les ateliers de Conshohocken ont fonctionné presque à





et de Waterloo, Québec, et d'Elmira, Ontario. L'an dernier des architectes ont recommandé des produits *Tru-Line* pour des écoles des Antilles et des États-Unis.

A l'exception de quelques séries de meubles scolaires particuliers fabriqués sous licence, tous les produits sont conçus et réalisés au sein de la compagnie. Cette division a remporté deux trophées "Design Canada" en 1968.

Bon nombre d'industries éprouvent le besoin d'organiser des séances d'étude à tous les paliers de l'entreprise. Le matériel

- Moyer s'y prête parfaitement.
- a. Bureau d'acier "Danos" au montage final
 - b. Meulage du socle d'un bureau de métal (usine d'Office Specialty, Holland Landing, Ontario)
 - c. L'inspecteur contrôle la qualité de la finition des meubles (usines Vilas, Cowansville, Québec)
 - d. Quelques échantillons de la magnétique ébénisterie Vilas
 - e. Bureau conçu et meublé par Office Specialty
 - f. Robuste et élégant mobilier scolaire de la division Moyer



Dans l'industrie des meubles domestiques canadiens, Les Industries Vilas Limitée, une filiale de la compagnie, monte la voie. Vilas fabrique un large éventail de meubles domestiques de styles colonial et moderne à Cowansville, Québec, et les meubles rembourrés sont confiés aux ateliers de Farnham, Québec. Plutôt lent dans la première moitié de 1968, le marché est devenu vigoureux dans la seconde moitié de l'année et le volume des commandes était très élevé en fin d'exercice.

Au début de l'année civile 1969, la production atteignait le double de l'année précédente, à la même période. Cette tendance devrait persister tout au long du présent exercice financier et, en conséquence, le personnel de fabrication a été accru de 40 pour cent.

La division Moyer de Vilas fabrique et distribue des meubles, du matériel et des fournitures scolaires à l'échelle nationale. Moyer offre plus de 7,000 articles scolaires, dont beaucoup sont importés, et du matériel pédagogique exploité sous licence exclusive. Moyer distribue également à travers le Canada une grande variété de meubles scolaires Vicometa *Tru-Line*, et des tableaux fabriqués dans les usines Vilas de Farnham

intéressants malgré des prix défavorables dans l'ensemble.

Disposant, d'un bout à l'autre du pays, d'un réseau de succursales qui desservent directement les principaux clients, la division Office Specialty de la compagnie entend conserver son avance, pour l'originalité de ses styles et de ses conceptions, dans le domaine des meubles et du matériel de bureau.

Office Specialty fait figure de pionnier au Canada en matière d'aménagement de bureau. Une nouvelle technique non seulement permet une utilisation plus rationnelle de l'espace, mais stimule le rendement. Elle détermine naturellement une nouvelle conception du meuble.

En même temps que les bureaux se transforment, on a assisté à l'avènement de l'informatique. Malgré les ressources de l'électronique, le papier demeure toujours le moyen le plus répandu de conservation et d'échange des informations.

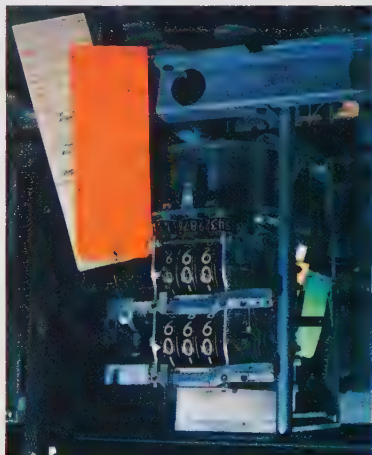
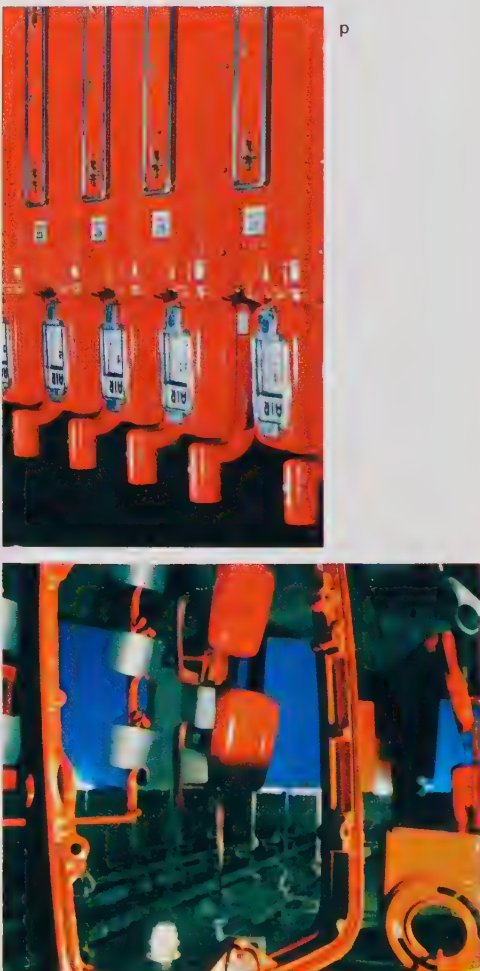
Les ventes de systèmes d'information utilisant le papier ont atteint le même volume que l'année précédente, tandis que les systèmes de classement et de repérage des archives rigides accusaient progrès. Anthes Business Forms, qui s'est solidement implantée dans un marché dominé par deux importants concurrents, demeure prometteuse. L'installation d'autres presses cette année a permis à la compagnie de rechercher de grosses commandes de fiches d'ordinateur.

LES VENTES DE MEUBLES DOMESTIQUES ET DE BUREAU À LA HAUSSE EN FIN D'EXERCICE

Les meubles et le matériel de bureau ont fait l'objet d'une forte concurrence tout au long de l'année. Les immobilisations importantes effectuées récemment dans l'industrie du matériel de bureau au Canada ont porté la capacité manufacturière à un niveau tel

qu'elle ne pourra être pleinement utilisée avant plusieurs années. Ayant prévu la situation, la compagnie est parvenue à conserver des bénéfices assez





La compagnie a également agrandi sa part du marché canadien. Elle a reçu d'importantes commandes de pompes et de réservoirs souterrains dans le dernier trimestre de l'exercice.

Bennett-Italiana, la filiale milanaise en propriété exclusive de la compagnie, a continué de grandir pour s'assurer la part la plus importante du marché italien privé des pompes à essence.

Par sa filiale italienne, la compagnie a distribué ses produits dans tout le Marché Commun et certaines parties de l'Afrique.

Elle a fait des ventes aux pays du Libre Échange par l'intermédiaire d'une compagnie affiliée de Suisse, Bennett & Sauter A.G., qui occupe également une place importante dans le marché suisse des pompes à essence et de matériel de station-service.

L'usine de la compagnie à Muskegon, Michigan, a exporté directement des pompes atteints par sa filiale et sa compagnie affiliée d'Europe.

La compagnie affiliée du Mexique, Industrias Guerrero Murguia Co., a de nouveau accusé une augmentation de ventes et de bénéfices, et le marché mexicain est prometteur.

Face à la concurrence qui règne dans l'industrie de la commercialisation de l'essence, toutes les compagnies de pétrole modifient la conception, les emplacements et les produits de leurs stations-service. On tend à construire des centres de distribution moins nombreux, mais plus considérables, offrant une grande variété de produits.

Le marché de pompes à essence ne s'en trouve pas moins diminué, car si le nombre de stations-service est moindre, par contre chacune d'elle possède plus de pompes. Le renouvellement s'accélère à mesure que les compagnies de pétrole modernisent leurs stations-service.

Cette redistribution et cette modernisation ont favorisé la vente d'autres genres de matériel de station-service, comme le Tireflator, un type de pompe à pneus automatique exclusif à la compagnie.

Le succès obtenu jusqu'ici par la compagnie est attribuable en partie à son aptitude à créer de nouveaux produits et au modernisme de ses pompes à essence. Pour s'accorder à d'autres tendances de la commercialisation pétrolière, la compagnie a entrepris la fabrication de pompes de libre service, de mélangeurs d'essence et d'autres produits.

Elle participe également à deux grands travaux de recherche et de mise au point à longue haleine, auxquels collaborent les industries du pétrole et de l'automobile.

De concert avec plusieurs grandes compagnies de pétrole et des maisons de recherches neutres, la compagnie étudie les moyens d'automatiser les transactions des stations-service.

Le groupe Bennett, en collaboration avec les fabricants d'automobiles et les compagnies pétrolières, conduit des recherches en vue de supprimer la pollution de l'air qui se produit au moment où l'on fait le plein d'essence.

a. Pièces et panneaux peints soumis à une cuisson de 265 degrés

b. Soudure à l'arc des pièces d'un bâti de pompe à essence

c. L'usine de Bennett-Italiana, à Milan, alimente les marchés européens

d. Resplendissantes sous leur peinture rouge, ces pompes à pneus attendent l'inspection finale

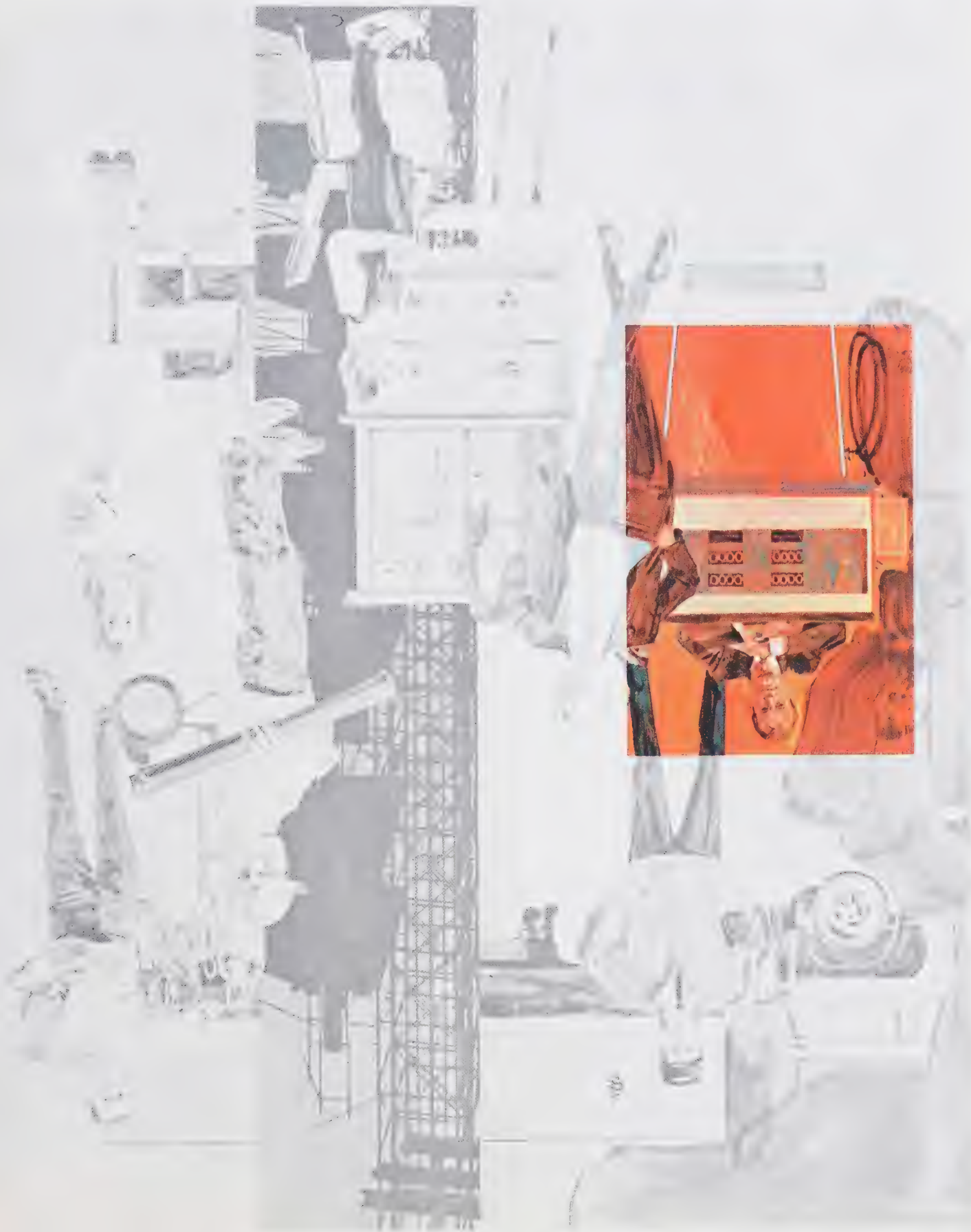
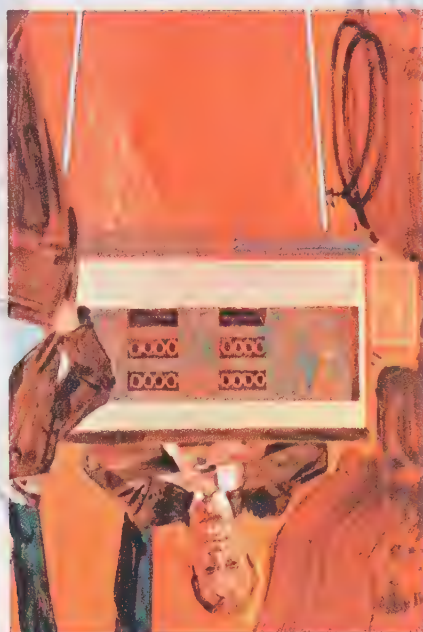
e. Pompes à essence prêtes à être mises en caisse (usine de Muskegon, Mich.)

f. Bâti de pompe et calculateur de précision des mesures et prix

UNE NOUVELLE CONCEPTION DES STATIONS-SERVICE FAVORISE LA VENTE DES POMPES

Par sa fabrication de pompes Bennett au Canada, aux États-Unis, en Italie, en Suisse et au Mexique, la compagnie a continué d'accroître la fabrication et la vente de pompes à essence et de matériel de station-service dans les marchés mondiaux.

Aux États-Unis, elle a enregistré une avance sans précédent. Elle se range parmi les quatre principaux fabricants de pompes à essence de ce pays, qui réunissent 80 pour cent du total des ventes.





Bien que l'industrie de la construction sem-
ble avoir enregistré une autre année de
progrès en chiffres absolus, le volume de
construction véritable a diminué. La sur-
production de certains secteurs de l'in-
dustrie, par rapport à la demande, a été la
principale cause du fléchissement des prix.
En outre, deux divisions canadiennes et une
division des États-Unis ont subi des grèves
prolongées dans le dernier trimestre de
l'exercice financier. Ces arrêts de travail, qui
ont duré des semaines et ont abouti à des
accords onéreux, représentent une perte de
volume et de bénéfice. Les accords augmen-
teront les frais, mais la Direction tentera d'y
remédier en mettant en chantier un projet qui
exigera des immobilisations et la transforma-
tion des produits.

La mise en chantier a été plus forte dans le
secteur résidentiel, mais la vente du matériel
de chauffage, y compris les chaudières, les
brûleurs à pétrole et les radiateurs, a été
inférieure au résultat de l'année précédente.
La raison en réside dans le manque de
fermeté du marché de renouvellement
domestique. La situation a été à peu près la
même dans le cas des radiateurs à eau
domestiques, encore que la compagnie ait
conservé sa part importante du marché. Afin
de compléter la gamme des radiateurs à eau
domestiques et commerciaux, on a mis dans
le commerce un certain nombre de nouveaux
modèles. L'accueil a été encourageant et
l'implantation devrait s'accroître au cours
du présent exercice.

Les radiateurs portatifs, fabriqués à Toronto
pour l'industrie de la construction cana-
dienne et à St. Paul pour le marché agricole
des États-Unis s'affirment déjà pour le ren-
dement et la sûreté. Selon les prévisions la
vente de ces produits doublera cette année.

Anthes Steel Products fait partie d'un
groupe de 10 compagnies qui a obtenu le
contrat dans le programme de construction
modulaire d'écoles de Toronto. Cette filiale
doit concevoir et fournir les structures
modulaires. La production doit commencer
à la fin de l'été 1969.

La vente et la location de matériel de
construction, par l'entremise de Anthes

- a. Les échafaudages Anthes accélèrent les travaux de
voiture
- b. Noyaux des moules à tuyaux empilés après cuisson
- c. Cage d'ascenseur de construction Hi-rise de Anthes
(Centre Toronto-Dominion)
- d. Poche de coulée prête à verser le métal en fusion
- e. Machine permettant le moulage des tuyaux par
centrifugation (fonderie de Winnipeg)
- f. Tuyaux à raccord mécanique "MJ", pour canali-
sation souterraine, prêts à être expédiés

Equipment, ont progressé cette année.
Cette division fournit maintenant 30 pour
cent de ce genre de matériel vendu ou loué
dans tout le Canada. Seule le marché des
échafaudages a été statique.

L'industrie de la construction recherche les
services de conception et d'application.
Comme Anthes Equipment est la seule com-
pagnie qui vend ou loue des échafaudages et
du matériel auxiliaire d'un océan à l'autre,
elle est particulièrement bien placée pour
exploiter avantageusement ces services.

PRIX FAIBLES ET FRAIS ÉLEVÉS RÉDUISENT LA MARGE DE BÉNÉFICE EN CONSTRUCTION

La vente et la location de matériel à l'industrie de la construction nord-américaine viennent immédiatement après la bière dans le total des ventes de la compagnie. Celle-ci prévoit donc retirer des profits appréciables de cet important champ d'activité. En 1968,

cependant, malgré un volume sans précédent de vente de matériel et de services à l'industrie de la construction, l'affaiblissement des prix et l'augmentation inévitable des frais ont exercé une forte pression sur la marge de bénéfice.





P

e

A photograph of a large industrial machine, likely a steam boiler or engine, with various pipes, valves, and a large rectangular panel. The machine is complex, with many pipes and valves visible. A large rectangular panel, possibly a control panel or a door, is prominent on the right side. The machine is made of metal and has a dark, industrial appearance.

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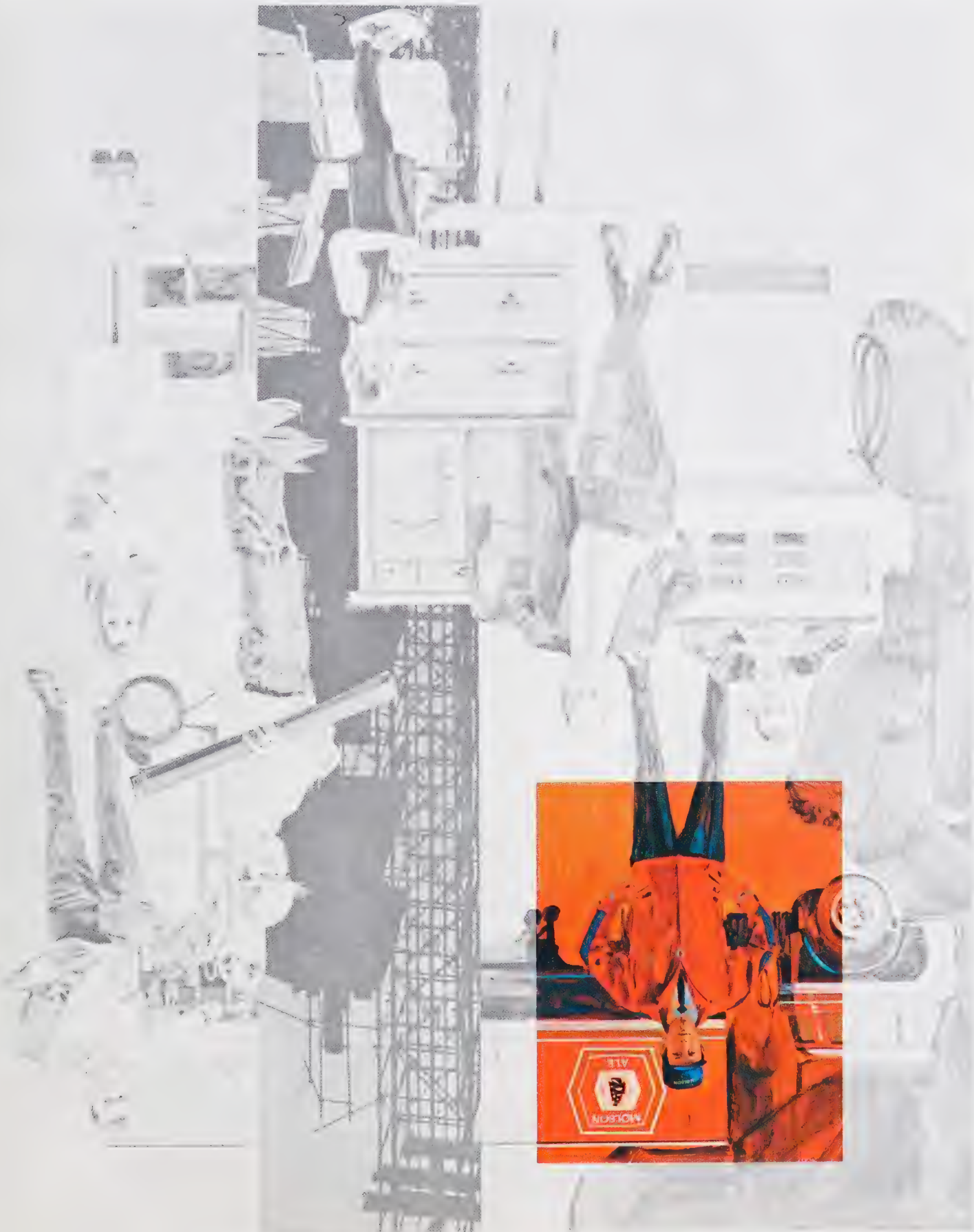
La compagnie prévoit une bonne année pour l'industrie de la bière au Canada. Après le léger fléchissement de l'an dernier, nous pouvons espérer une augmentation totale d'environ quatre pour cent, un peu plus que le taux d'accroissement annuel de l'industrie sur une longue période. Nous avons confiance que la qualité de nos produits et la compétence de notre personnel nous valendront une plus grande part de ce marché croissant.

1

LES VENTES DE BIÈRE RESTENT ÉLEVÉES MALGRÉ LE RALENTISSEMENT DE L'INDUSTRIE

Le rythme de croissance de l'industrie de la bière au Canada a quelque peu ralenti, par rapport aux années précédentes, surtout à cause de la grève qui a duré près de quatre semaines en Ontario. L'industrie a enregistré, en Ontario et en Saskatchewan, une dimi-

nution de volume, partiellement compensée par l'augmentation des ventes qu'a valu au Québec la fermeture prolongée des magasins de la Régie des alcools. Bien que l'année ait été de nouveau caractérisée par une concurrence très vive à





Hon. H. deM. Molson, président du Conseil (à gauche)
et D. G. Willmot, président et directeur général.

EXAMEN DE L'EXPLOITATION

Le rapport des administrateurs aux actionnaires, paraissant à la page 3, fait état des principales réalisations et des faits saillants financiers de l'exploitation, contenu dans les pages qui suivent, se situe dans une perspective plus large et porte sur la gestion, la fabrication et la commercialisation.

Cet examen ne correspond pas aux secteurs d'exploitation de la compagnie, qui sont géographiquement limités. Par exemple, l'exploitation du secteur des brasseries se situe principalement au Canada, celle du secteur industriel canadien s'inscrit entièrement à l'intérieur du Canada, tandis que celle du secteur industriel international, comme son nom l'indique, s'exerce à l'extérieur du Canada.

Le présent examen porte sur de grandes catégories de produits et en analyse les résultats d'exploitation dans la région où se situe la fabrication et la vente.

Afin de faciliter la connaissance des marchés que dessert notre compagnie, on a adopté les catégories suivantes : brasseries, construction, commercialisation pétrolière, matériel de bureau, meubles domestiques, meubles et fournitures scolaires, produits et services industriels.

Ces produits proviennent de 36 usines, fonderies et brasseries en propriété exclusive, situées dans 27 villes du Canada, des États-Unis et d'Italie, et de trois autres usines exploitées par des compagnies affiliées au Mexique, en Suisse et aux États-Unis.

Les neuf brasseries canadiennes de la compagnie sont réparties dans sept provinces et la capacité de production totale s'établit actuellement à 4,500,000 barils par année. Les travaux d'expansion en cours auront accru ce chiffre de 25 pour cent en 1970. Les 27 usines et fonderies en propriété exclusive présentent une superficie totale de 2,882,400 pieds carrés. En outre, les services d'entreposage et de distribution de la compagnie exploitent près de 1,200,000 pieds carrés.

Nous avons examiné le bilan consolidé de Les Industries Molson Limitée et ses filiales au 31 mars 1969 et les états consolidés des bénéfices, des bénéfices non répartis et de la provenance et l'utilisation des fonds pour l'exercice terminé à cette date. Notre examen a comporté une revue générale des procédés comptables et les sondages des livres, pièces et autres documents à l'appui que nous avons considérés nécessaires dans les circonstances.

A notre avis, ces états financiers consolidés présentent équitablement la situation financière des compagnies au 31 mars 1969 et les résultats de leurs opérations ainsi que la provenance et l'utilisation de leurs

fonds pour l'exercice terminé à cette date, conformément aux principes comptables généralement reconnus, appliqués de la même manière qu'au cours de l'exercice précédent, sauf en ce qui a trait au changement du fondement de la répartition des impôts tel que mentionné à la note 3, changement que nous approuvons.

Rapport des vérificateurs aux actionnaires

Conformément à l'article 61 de la Loi canadienne relative aux corporations, un montant de \$1,813,023 des bénéfices non répartis a été désigné un excédent de capital provenant du rachat d'actions privilégiées.

Les provisions pour les régimes de retraite des employés d'une filiale en ce qui concerne les services passés sont établis sur certains nombres d'années n'excédant pas 30 ans. Au 31 mars 1969, la dette non consolidée concernant ces honoraires pour services passés s'élevait à environ \$2,700,000.

7. RENSEIGNEMENTS STATUTAIRES

Les éléments qui suivent ont été imputés avant la détermination du bénéfice net pour l'exercice:

Intérêt sur la dette à long terme y compris l'amortissement de l'escompte sur débentures	873,039
Provision pour amortissement	6,682,351
— en tant qu'administrateurs de la compagnie:	42,950
— en tant que membres des cadres ou employés	486,100

Options à l'achat d'actions:

Au 31 mars 1969, des droits de souscription en cours permettaient à certains employés d'acheter des actions ordinaires classe "A" dont 17,745 à \$10.99, 920 à \$11.00, 1,092 à \$11.54, 1,540 à \$12.00, 9,100 à \$12.23 et 728 à \$15.82. Ils pouvaient aussi exercer ce droit à

*Ce montant représente la valeur établie des actions ordinaires acquises de Anthes Imperial Limited, moins un versement en espèces de \$5,902,658 et des frais s'y rapportant, le tout conformément aux principes comptables concernant la fusion d'intérêts communs.

Solde au 31 mars 1969		Solde au 31 mars 1968	
16,111	6,064,102	3,966,084	6,594,766
186,421	9,624,520	2,843,333	2,081,907
Emis d'après les dispositions d'un programme d'options pour achat d'actions des employés		Emis en échange des actions ordinaires de Anthes Imperial Limited	
—		—	
On a émis 56,652,400 actions privilégiées comme dividendes en actions sur les actions ordinaires convertibles classe "C" et on les a rachetées à leur valeur au pair en contrepartie de \$566,524.		On a émis 56,652,400 actions privilégiées comme dividendes en actions sur les actions ordinaires convertibles classe "C" et on les a rachetées à leur valeur au pair en contrepartie de \$566,524.	
3,175	6,605,598	3,175	6,605,598
—	1,258,942	—	1,258,942
—	1,719,140	—	1,719,140

Le capital émis et en circulation:

Les détenteurs des actions ordinaires classe "A", ont droit, votant séparément et comme catégorie distincte d'actionnaires, d'élire trois membres du Conseil d'administration de la compagnie, chaque année.

Les dividendes sur les actions ordinaires classe "C" peuvent être versés sous forme de dividendes en actions privilégiées rachetables à même le revenu non distribué, libéré d'impôt. Chaque action ordinaire de la classe "C" peut, au choix du détenteur, être convertie en une action ordinaire classe "A" après le 1er juillet 1971. Chaque action ordinaire classe "C" sera convertie en une action ordinaire classe "B" le 30 juin 1976 ou avant, ou lorsqu'un montant de \$4,292,500 en dividendes sur les actions ordinaires classe "C" aura été versé, soit la première des deux possibilités.

Le capital autorisé:

En vertu des lettres patentes supplémentaires datées du 15 août 1968, le capital autorisé de la compagnie a augmenté à la suite de la création de 2,000,000 d'actions ordinaires supplémentaires classe "A", de 1,000,000 d'actions ordinaires supplémentaires classe "B", et de 1,360,000 nouvelles actions ordinaires convertibles classe "C". Toutes ces actions n'ont aucune valeur nominale ou au pair. On a aussi créé 500,000 nouvelles actions privilégiées d'une valeur au pair de un cent chacune.

6. CAPITAL-ACTIONS — suite

Les changements qui sont survenus au cours de l'exercice au capital autorisé et au capital émis, sont décrits ci-après:

Notes se rapportant aux Etats Financiers Consolides

EXERCICE TERMINE LE 31 MARS 1969

1. NOUVELLE RAISON SOCIALE

En vertu des lettres patentes supplementaires datees du 5 septembre 1968 la raison sociale de Les Brasseries Molson Limitee est devenue Les Industries Molson Limitee.

2. PRINCIPES SUIVIS EN VUE DE LA CONSOLIDATION

Au cours de l'exercice, la compagnie a acquis 91 pour cent des actions ordinaires de Anthes Imperial Limited en contrepartie de 2,081,907 actions ordinaires, classe "A", et de 1,258,942 actions ordinaires, classe "C", de Les Industries Molson Limitee et de \$5,902,658 en espèces. La compagnie a considere cet echange en contrepartie d'actions comme etant une fusion d'interets communs des actionnaires des deux compagnies. La consolidation des comptes de Anthes Imperial Limited et ses filiales a ete effectuee d'apres les principes comptables concernant la fusion d'interets communs.

En juillet 1967, la compagnie a achete les deux tiers des actions en circulation de Les Industries Vilas Limitee. Les comptes de cette compagnie et ses filiales ont ete consolides d'apres les principes comptables concernant l'achat d'actions.

Les comptes des compagnies ont ete consolides pour chaque exercice financier respectif, afin de fournir des donnees comparatives pour les exercices financiers precedents.

Aux fins de la consolidation, les comptes des filiales etrangeres de la compagnie ont ete convertis en dollars canadiens au taux en vigueur a la fin de l'exercice.

3. IMPOTS SUR LE REVENU REPORTE

La compagnie a adopte la methode de l'impôt reporté. En conséquence, les impôts sur le revenu pour l'exercice comprennent une provision de \$277,907 aux fins des impôts sur le revenu reportés. Les impôts sur le revenu reportés d'un montant de \$3,568,667, des exercices précédents, ont été imputés aux bénéfices non répartis. Les chiffres comparatifs de l'exercice précédent ont été rétablis.

4. IMMOBILISATIONS

	1969	1968
Codit:	\$	\$
Terrains	5,437,575	4,773,810
Bâtiments	58,778,274	56,582,282
Outillage et matériel	86,887,094	83,229,754
Construction en cours	2,456,201	—
Amortissement accumulé	153,559,144	144,585,846
	83,682,223	77,949,128
	69,876,921	66,636,718

5. DETTE A LONG TERME

	Total	Échéances à court terme
Obligations, première hypothèque, échéant de 1968 à 1978; de 5.84% à 10%	1,482,155	281,762
Débitures non garanties, échéant de 1969 à 1982; de 4% à 6%	7,026,800	484,400
Emprunts bancaires à terme garantis, échéant après le 1er avril 1970; de 5½% à 8¼%	3,385,699	—
	11,894,654	766,162

6. CAPITAL-ACTIONS

Au 31 mars 1969, le capital-actions de la compagnie comprenait:

Le capital autorisé:

10,000,000 d'actions ordinaires, classe "A", sans valeur nominale ou au pair,
7,000,000 d'actions ordinaires, classe "B", sans valeur nominale ou au pair,
1,360,000 actions ordinaires convertibles, classe "C", sans valeur nominale ou au pair,
500,000 d'actions privilégiées 4% non cumulatives, d'une valeur au pair d'un cent chacune, rachetables à leur valeur pair, soit à même le capital, soit selon les dispositions de l'article 61 de la Loi canadienne relative aux corporations.

Le capital émis et en circulation:

6,064,102 actions ordinaires, classe "A"	\$ 9,624,520
3,966,349 actions ordinaires, classe "B"	6,605,598
1,258,942 actions ordinaires convertibles, classe "C"	1,719,140
	\$17,949,258

Etat Consolidé de la Provenance
et de l'Utilisation des Fonds

EXERCICE TERMINE LE 31 MARS		1969	1968
PROVENANCE DES FONDS			
Bénéfice net	15,028,426	15,919,248	
Amortissement	6,682,351	6,007,168	
Impôts sur le revenu reportés	277,907	560,835	
Fonds provenant de l'exploitation	21,988,684	22,487,251	
Produit de la vente d'une filiale	1,142,134	—	
Augmentation des intérêts minoritaires	—	231,244	
Produit en espèces de l'émission d'actions ordinaires	195,024	499,002	
Diminution nette des placements	—	160,613	
Fonds de roulement des filiales acquises	608,241	4,289,730	
	23,934,083	27,667,840	
UTILISATION DES FONDS			
Montant net des nouvelles immobilisations	10,524,540	10,747,881	
Diminution nette de la dette à long terme	228,098	943,210	
Augmentation nette des placements	150,919	—	
Dividendes	7,851,077	6,957,637	
Montant versé à l'acquisition d'un intérêt dans des filiales	3,259,890	5,070,821	
Diminution des intérêts minoritaires	39,098	—	
Fonds de roulement d'une filiale vendue	90,181	—	
Dividendes de Anthes Imperial Limited pour les trois mois terminés le 31 mars 1968 moins le bénéfice net	242,844	—	
	22,386,647	23,719,549	
AUGMENTATION		1,547,436	3,948,291
FONDS DE ROULEMENT AU DÉBUT DE L'EXERCICE		44,195,906	40,247,615
FONDS DE ROULEMENT À LA FIN DE L'EXERCICE		45,743,342	44,195,906

PASSIF

1968	\$	1969	\$
EXIGIBILITÉS			
5,210,796		4,774,848	
Emprunt bancaire (garanti)			
14,621,030		14,902,028	
Comptes à payer et dépenses courues			
7,407,584		2,338,954	
Impôts sur le revenu			
5,029,557		4,733,605	
Taxés d'accise et de vente et autres taxes			
510,400		766,162	
Versements exigibles à court terme sur la dette à long terme			
32,779,367		27,515,597	
IMPÔTS SUR LE REVENU REPORTÉS (note 3)			
5,349,998		5,627,905	
DETTE À LONG TERME (note 5)			
11,356,590		11,128,492	
INTÉRÊTS MINORITAIRES			
11,034,260		10,759,265	
CAPITAL-ACTIONS (note 6)			
17,754,234		17,949,258	
BÉNÉFICES NON RÉPARTIS			
72,848,270		77,816,990	
90,602,504		95,766,248	
151,122,719		150,797,507	

AVOIR DES ACTIONNAIRES

Bilan Consolidé

AU 31 MARS

ACTIF

1969 \$

DISPONIBILITÉS

Encaisse et dépôts à court terme 1,420,312 1,616,670

Valeurs négociables, au coût (valeur cotée : \$576,000) 714,541 7,960,815

Comptes à recevoir 29,030,246 28,194,722

Stocks, évaluation au coût n'excédant pas la valeur probable de réalisation —

Matières premières et fournitures 12,768,141 11,497,985

Travaux en cours et produits finis 27,298,884 25,110,519

Frais payés d'avance 2,026,815 2,594,562

73,258,939 76,975,273

PLACEMENTS

Actions d'autres compagnies, au coût 3,770,056 3,545,377

Avances à d'autres compagnies 2,656,836 2,628,742

Créances hypothécaires et dépôts en garantie 1,234,755 1,336,609

7,661,647 7,510,728

IMMOBILISATIONS (note 4)

Coût 153,559,144 144,585,846

Amortissement accumulé 83,682,223 77,949,128

69,876,921 66,636,718

150,797,507 151,122,719

SIGNÉ AU NOM DU CONSEIL,
un administrateur, H. deM. MOLSON
un administrateur, D. G. WILLMOT

Etat Consolidé des Bénéfices

EXERCICE TERMINE LE 31 MARS	1969	\$
VENTES	295,575,484	275,354,234
TAXES D'ACCISE ET DE VENTE, BRASSERIES	70,980,068	61,705,144
FRAIS DE FABRICATION, DE VENTE ET D'ADMINISTRATION	196,872,321	181,277,722
BÉNÉFICE D'EXPLOITATION	27,723,095	32,371,368
REVENUS DE PLACEMENTS	2,948,649	1,685,006
BÉNÉFICE AVANT IMPÔTS	30,671,744	34,056,374
IMPÔTS SUR LE REVENU (note 3)	15,000,000	17,200,000
INTÉRÊTS MINORITAIRES	643,318	937,126
BÉNÉFICE NET	15,028,426	15,919,248

Etat Consolidé des Bénéfices non Répartis

EXERCICE TERMINE LE 31 MARS	1969	\$
Excédent du prix d'achat des filiales acquises au cours de l'exercice sur la juste valeur au marché de l'actif net tangible	1,965,785	728,711
SOLDE À LA FIN DE L'EXERCICE	77,816,990	72,848,270
Dividendes sur les actions ordinaires	3,977,464	2,853,091
— Classe "A"	3,977,464	2,853,091
— Classe "B"	2,855,634	—
— Classe "C"	577,854	—
— Anthes Imperial Limited, avant l'échange en contrepartie d'actions	440,125	1,251,455
Dividendes de Anthes Imperial Limited pour les trois mois terminés le 31 mars 1968 moins le bénéfice net de \$91,177	72,605,426	64,615,370
Bénéfice net	15,028,426	15,919,248
SOLDE RÉGULARISÉ AU DÉBUT DE L'EXERCICE	72,605,426	64,615,370
Dividendes de Anthes Imperial Limited pour les trois mois terminés le 31 mars 1968 moins le bénéfice net de \$91,177	242,844	—
Régularisation des impôts sur le revenu reportés (note 3)	3,568,667	3,281,667
Solde d'ouverture	76,416,937	67,897,037

Le 26 mai 1969.



Au nom du Conseil,
le président du Conseil,
H. de M. Molson



le président et directeur général
D. G. Willmot

EXPANSION ADMINISTRATIVE

La compagnie a revu son programme d'expansion administrative, au cours de l'année, en fonction des exigences que comporte l'élargissement de son champ d'activité. Elle a examiné et refondu les projets à long terme de ses diverses entreprises. Elle a redressé ses objectifs à longue portée et revisé ses principes et critères d'acquisition en tenant compte de sa nouvelle envergure et de ses nouvelles ressources.

premier vice-président, services administratifs; A. G. McCaughy, premier vice-président, service des finances et trésorier; E. H. Orser, premier vice-président, service de l'expansion, et G. B. Waterman, premier vice-président, secteur industriel américain et international. Mentionnons également les nominations suivantes: MM. T. S. Drake, vice-président, planification; K. A. F. Gates, vice-président, contentieux; J. B. Jolley, vice-président, secrétaire et conseiller juridique; R. J. Stuart, vice-président, personnel et relations industrielles; W. W. Carrick, contrôleur général du secteur industriel; C. R. Cook, contrôleur général du secteur des brasseries; G. Marin, secrétaire adjoint; K. Laursen, trésorier adjoint, et M. C. Payne, trésorier adjoint.

En novembre, M. Paul Bienvenu s'est retiré du Conseil, auquel il a apporté un concours précieux pendant 14 ans. M. Bienvenu fut le premier homme d'affaires, autre que les hauts dirigeants de la compagnie, à siéger au Conseil, et M. Gérard Plourde, de Montréal, a été élu administrateur pour lui succéder. En février, M. F. H. Sobey, de Stellarton, Nouvelle-Écosse, a été élu au Conseil.

PERSPECTIVES

L'inflation et l'augmentation des frais, en continuant de fausser l'économie nord-américaine, créent de graves problèmes socio-économiques. Les gouvernements des États-Unis et

Les perspectives des marchés que nous desservons nous fondent à croire que les ventes et les bénéfices nets de la prochaine année seront supérieurs à ceux du dernier exercice. Nous avons confiance également d'atteindre les objectifs que nous nous sommes fixés pour l'avenir.

L'inflation pourra subsister pendant un certain temps encore, mais nous avons confiance qu'à l'intérieur de notre régime d'entreprise privée, qui favorise l'imagination créatrice et tend de lui-même à l'équilibre, le Gouvernement et l'industrie sauront trouver ensemble des solutions de nature, à maintenir le rythme de croissance et la prospérité relative des vingt dernières années. Solide, grandissante et prospère, notre compagnie est en mesure, nous semble-t-il, d'y apporter sa contribution.

Limitée en complément de ses meubles de style colonial, déjà bien connus, ont reçu bon accueil. Les commandes atteignent un sommet et l'usine s'efforce de répondre à la demande croissante. Quant aux four-nitures scolaires, dont s'occupe la division Moyer des Industries Vilas Limitée, l'accroissement rapide des dernières années a quelque peu ralenti au cours du présent exercice. Mais la réorganisation d'un grand nombre de commission scolaires au Canada laisse prévoir une augmentation soutenue de la demande.

DÉPENSES EN IMMOBILISATIONS

Les dépenses nettes en immobilisations ont atteint \$10,524,540, à rapprocher de \$10,747,881 l'année précédente.

Les nouvelles immobilisations, dans le secteur des brasseries, cette année étaient surtout imputables aux premiers travaux d'agrandissement de la salle de brassage de Toronto, à l'agrandissement des installations d'entrepasage de Vancouver, à un nouveau bâtiment d'emballage et à une cave d'entrepasage à Leth-bridge, à un nouvel équipement d'emboutillage à Regina et aux installations d'entrepasage de Winnipeg.

Dans le secteur industriel, on a construit un entrepôt et un centre de

distribution à Toronto, installé deux nouveaux équipements électriques et l'équipement auxiliaire à la fonderie de Winnipeg, doté l'usine de St. Catharines d'une machine à fabriquer les tuyaux moulés et de convoyeurs, et accru sensiblement le matériel loué à d'autres entreprises, comme les échafaudages, les ascenseurs de construction et les grues. Deluxe Upholstery Limited, filiale des Industries Vilas Limitée, a acheté une plus grande usine à Waterloo, Ontario, et y a mis en place des équipements modernes de production.

Pour l'exercice 1970, on a prévu des immobilisations au montant de \$13,500,000.

M. DAVID M. CHENOWETH

Le Conseil d'administration déplore le décès de M. David M. Chenoweth, administrateur et vice-président du Conseil, survenu le 2 décembre 1968. Il était entré au service de Molson en 1954 en qualité de directeur de Molson's Brewery (Ontario) Limited, qui venait d'être formée. Par la suite, il avait été successivement directeur général, vice-président administratif et, en 1966, président, des Brasseries Molson Limitée. Il devenait vice-président du Conseil des Industries Molson Limitée. Il avait grandement contribué à l'essor de votre compagnie et sa disparition est particulièrement sensible à tous ceux qui ont travaillé avec lui.

ADMINISTRATEURS ET DIRIGEANTS

En septembre 1968, MM. J. M. McGillis et R. H. B. Ker se retiraient du Conseil, dont ils avaient fait partie pendant 14 et neuf ans respectivement. Ils ont bien mérité de la compagnie; M. McGillis dirigea le service des finances durant 25 ans jusqu'à sa retraite en 1966, et M. Ker siégea au Conseil après de longs états de service chez Sicks' Breweries Limited, qui est devenue Molson's Western Breweries Limited.

Le 5 septembre 1968, le nombre des administrateurs a été porté de 14 à 18, par suite de la croissance de la compagnie.

A sa réunion du 11 septembre 1968, le Conseil a élu six administrateurs afin de combler les deux vacances et de pourvoir à quatre nouveaux postes: MM. D. G. Willmot, qui fut également élu président et directeur général, D. Lakie, E. H. Orser, G. B. Waterman, H. N. Bawden, de Toronto, et W. P. Frankenhoff, de New York, tous administrateurs de Anthes Imperial Limited.

Outre ces élections, on a fait les nominations suivantes conformément à la nouvelle structure administrative des Industries Molson Limitée: MM. J. T. Black, premier vice-président, secteur des brasseries; D. Lakie, premier vice-président, secteur industriel canadien; M. McCammon,

Y a un terme à l'amélioration de la productivité. Elle estimait de son devoir, sur le plan social autant qu'économique, de s'opposer à des revendications salariales disproportionnées au gain de productivité.

La compagnie s'est donc trouvée aux prises avec quatre grèves au cours de l'année: une de près de quatre semaines dans l'industrie des bras-series de l'Ontario; une de six semaines dans la division des produits métalliques de St. Paul, Minnesota; une de neuf semaines chez Anthes Steel Products, à Toronto, et une autre également de neuf semaines à la fonderie de St. Catharines, Ontario. La suspension de l'exploitation occasionnée par ces grèves ont réduit de plus de \$3,000,000 les bénéfices avant impôts sur le revenu.

Les frais de préparation technique, d'outillage, de mise en production et de lancement reliés à une nouvelle série de produits fabriqués par notre usine de St. Louis, Missouri, à l'intention de l'industrie des boissons gazeuses, ont diminué considérablement les bénéfices du Secteur industriel américain et international. Un produit important de la nouvelle série: une machine à boissons gazeuses congelées pour laquelle la demande va s'accroissant. Pour ce

seul produit, les frais engagés et absorbés au cours de l'exercice ont atteint \$1,000,000. Bien que les commandes s'accumulent, la production n'a pas encore permis d'atteindre le point d'équilibre, mais la division devrait y parvenir au cours de l'exercice financier.

Le volume réel de construction n'a pas été aussi élevé que l'année précédente au Canada et cette situation a exercé une certaine pression sur les prix des matériaux et des services de ce secteur. Les profits de l'activité reliée à la construction ont, par voie de conséquence, sensiblement baissé. La hausse des impôts sur le revenu des sociétés, au Canada et aux États-Unis, s'est traduite par une dépense fiscale supplémentaire de \$500,000. Durant l'exercice, la compagnie a vendu la plus grande partie des titres négociables de son portefeuille et réalisé ainsi un profit net de \$1,174,000. Le produit de la vente du portefeuille, composé d'actions et obligations et constitué avec le temps à même les disponibilités, a servi à réduire la dette bancaire de certaines filiales.

Les fonds provenant de l'exploitation consolidée au cours de l'année se sont élevés à \$21,988,684, une légère diminution en comparaison de 1968. Le fonds de roulement s'est accru de \$1,547,436 pour s'établir à \$45,743,342. La compagnie a adopté, au cours de l'année, la méthode comptable de l'impôt reporté et, en plus de pourvoir aux impôts futurs applicables aux années en cour, elle a pourvu, à même les bénéfices non répartis, à tous les impôts reportés exigibles. L'affectation totale pour les impôts

EXPLOITATION

\$5,627,905.

sur le revenu reportés atteint

Les ventes de bière de votre compagnie ont accusé une augmentation légèrement supérieure à celle qu'a enregistrée l'ensemble de l'industrie au Canada, attestant la place toujours croissante qu'occupe la compagnie dans le marché canadien. Les résultats obtenus en Ontario ont été particulièrement encourageants malgré la grève et la vente des marques de la compagnie y a atteint un chiffre sans précédent.

La vente des produits de commercialisation pétrolière, surtout en ce qui a trait aux pompes à essence Bennett, s'est établie à un niveau record aux États-Unis et à l'étranger, et les bénéfices ont augmenté à l'avenant.

Au Canada, Office Specialty Limited a accru ses ventes et maintenu ses bénéfices malgré la très vive concurrence créée par la surproduction dans l'industrie du matériel de bureau. Une nouvelle conception de l'aménagement des bureaux — une activité à laquelle nous nous intéressons de près — s'avère prometteuse de débouchés pour cette division.

Bien que les résultats de la fabrication de meubles domestiques aient été décevants, les nouvelles séries offertes par Les Industries Vilas

Rapport des administrateurs aux actionnaires

L'exercice financier terminé le 31 mars 1969 a posé un jalon important dans le programme de longue haleine de la compagnie visant à créer une entreprise canadienne d'envergure qui puisse soutenir avec succès la concurrence dans certains secteurs du commerce international.

En juin 1968, la compagnie a fait une offre aux possesseurs des actions ordinaires de classe A et de classe B de Anthes Imperial Limited, n'habitant pas les États-Unis d'Amérique. Il s'agit d'une compagnie au champ d'action très divers, qui fabrique une gamme étendue de produits distribués au Canada, aux États-Unis, au Mexique et en Europe. Entre autres, du matériel destiné à l'industrie de la construction et à la distribution du pétrole, des équipements et fournitures industriels, domestiques, agricoles et commerciaux. En plus de la fabrication de produits durables qui se situe dans le secteur secondaire, l'activité de cette compagnie s'étend à d'autres marchandises et services, tels la papeterie commerciale, la location de matériel, les services d'entrepôt et de distribution. Jusqu'ici, les possesseurs de 91% des actions ordinaires de classe A et de classe B de Anthes Imperial Limited en circulation ont accepté l'offre.

La compagnie apparaît donc comme une entreprise importante et multiforme, rayonnant dans plusieurs pays. En vertu de lettres patentes supplémentaires en date du 5 septembre

1968, la raison sociale de la compagnie a été changée de Les Brasseries Molson Limitée en celui de Les Industries Molson Limitée, qui exprime sa nouvelle diversité.

STRUCTURE

Pour assurer la direction de la compagnie agrandie, on a formé six grands secteurs dont chacun est confié à un premier vice-président. Les trois secteurs d'exploitation sont : le Secteur des brasseries, comprenant toute l'activité des brasseries ; le Secteur industriel canadien, englobant les divisions de Anthes Imperial au Canada ainsi que les divisions de meubles et de fournitures scolaires des Industries Vilas Limitée ; enfin, le Secteur industriel américain et international, à qui incombe toute l'activité de Anthes Imperial hors du Canada. Les trois secteurs de gestion sont : le Service des finances et du contrôle, les Services administratifs, comprenant le contenu, le secretariat, les relations industrielles, les relations publiques, les indemnités sociales et les assurances générales, et le Service de l'expansion, chargé de la coordination à long terme des ressources matérielles et humaines de la compagnie.

RÉSULTATS FINANCIERS

7.3 pour cent par rapport à l'exercice précédent. Les bénéfices nets ont été de \$15,028,426, ou \$1.33 par action, une diminution de 5.6 pour cent par rapport aux chiffres respectifs de \$15,919,248 et \$1.41 enregistrés l'année précédente.

Au cours de l'année, la compagnie a versé des dividendes de 72 cents par action, représentant une somme totale de \$7,851,077 et une augmentation par rapport à l'exercice précédent.

Cette diminution des bénéfices nets est attribuable aux grèves, aux frais de mise au point, aux prix moindres d'un grand nombre de produits destinés à la construction et à l'augmentation des impôts sur le revenu des sociétés au Canada et aux États-Unis. Au cours de l'année écoulée, les salariés de la plupart des industries d'Amérique du Nord ont réclame des augmentations de salaires extrêmement élevées. A l'instar d'autres entreprises, votre compagnie a négocié, avec les syndicats qui représentent les divers groupes d'employés, des accords d'un caractère qu'il faut estimer inflationniste.

Dans le passé, la compagnie a pu, en accroissant la productivité, contrebalancer la hausse des frais entraînée par une série de conventions collectives, tout en se rendant compte qu'il

Au cours de l'exercice terminé le 31 mars 1969, les ventes consolidées de produits et services se sont élevées à \$295,575,484, une augmentation de



Roger L. Bourneau



F. H. Sobey



H. N. Bawden



W. P. Frankenhoff



Gertraud Plavide



D. S. Harvie



J. D. Molson



H. C. F. Mockridge



D. Lakie



M. M. Cammen



N. E. Whitman



J. T. Black



E. H. Osler



P. D. Gray



T. P. Molson



P. G. Willmott



Hon. H. de M. Molson

Rapport annuel 1969

Sommaire de l'année

VENTES	295,575,484	275,354,234	244,709,298
BÉNÉFICE NET	15,028,426	15,919,248	14,391,432
Bénéfice net par action classes "A", "B" et "C"	1.33	1.41	1.28
DIVIDENDES	7,851,077	6,957,637	6,121,456
Dividendes par action classes "A", "B" et "C"	.72	.72	.64
FONDS DE ROULEMENT	45,743,342	44,195,906	40,247,615
AVOIR DES ACTIONNAIRES	95,766,248	90,602,504	82,235,937
ACTIF GLOBAL	150,797,507	151,122,719	132,977,232

C'est dans ce contexte de mise en valeur nationale que les dirigeants de Molson et Anthes ont décidé de combiner les ressources des deux entreprises. Ils ont formé Les Industries Molson Limitée, qui permet d'entrevoir une croissance à long terme. La force financière et administrative de la nouvelle compagnie est un gage de prospérité et contribue au progrès économique du continent dans une mesure qui dépasse les possibilités des compagnies moins importantes.

Le premier devoir de la Direction sera d'exploiter les divers secteurs de la compagnie avec compétence, diligence et prévoyance. Les hauts dirigeants suivront toujours de très près la marche de chaque secteur afin d'assurer une utilisation judicieuse de la compétence. La mise en oeuvre optimum des ressources de la compagnie — financières, matérielles et humaines — restera une préoccupation permanente. On sera attentif aux possibilités; on s'efforcera de prévoir l'évolution et de s'y adapter. La compagnie s'emploiera en priorité à conserver et accroître un excellent personnel de gestion. Elle décentralisera l'autorité dans la mesure où le permettra le mode administratif confiant la direction, la consultation et l'orientation au personnel du siège social.

Les immobilisations demeureront à un niveau élevé, en tenant compte de l'importance du marché en cause. L'exploitation présentera une grande diversité. La compagnie n'entend pas maintenir une ressource ou la fabrication d'un produit au-delà de sa durée utile et de sa rentabilité. Elle tendra à créer de nouveaux produits et à acquérir d'autres entreprises, en prenant pour critère le taux de croissance, le rapport de rentabilité et la possibilité d'intégration. L'activité future de la compagnie ne sera assujettie à aucune limite géographique, sauf celles que pourront lui imposer la situation politique ou les conditions économiques.

La compagnie Les Industries Molson Limitée estime qu'elle a deux grandes obligations. La première est de veiller à ce que ses produits soient de la plus haute qualité possible, compte tenu des exigences de la clientèle, et qu'ils soient offerts au plus bas prix possible tout en obtenant un rapport de rentabilité suffisant. La deuxième est une obligation sociale à l'endroit des pays ou des territoires où elle exerce son activité et des gens associés à son entreprise.

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L'assemblée annuelle des actionnaires aura lieu au siège social de la Compagnie, 1555, rue Notre-Dame est, Montréal, P.Q., le 26 juin 1969, à 11h30 du matin, heure avancée de l'est.

La Compagnie - sa nature et son but

Les Industries Molson Limitée est une compagnie diversifiée, orientée vers l'expansion. Elle provient de la réunion de deux grandes entreprises canadiennes possédant un tableau impressionnant de réalisations dans leurs sphères respectives de l'économie nord-américaine.

En conjuguant leurs activités, leurs énergies et leurs ressources, Les Brasseries Molson Limitée et Anthes Imperial Limited ont jeté le fondement d'une entreprise extraordinairement solide.

Actuellement, la compagnie exploite 36 usines et installations, elle a un personnel de 7,500 employés et elle est la propriété de plus de 13,000 actionnaires. Son activité s'étend à un large éventail de secteurs et de produits, et elle a une ampleur internationale. La majorité de ses intérêts se trouvent au Canada et aux Etats-Unis, et elle possède des filiales ou des participations dans trois autres pays.

L'essor des grands pays industriels du monde tient directement à celui de ses entreprises. Dans la mesure où ces entreprises ont atteint une envergure qui leur a permis de soutenir efficacement la concurrence dans les marchés mondiaux, la puissance industrielle de leur pays a grandi.

Au Canada, la dispersion d'une population relativement faible dans un vaste territoire a amené un morcellement des ressources manufacturières, qui pouvaient difficilement être compétitives à l'échelon national ou nord-américain.

A ce phénomène s'ajoute, depuis une vingtaine d'années, la tendance à la réciprocity en Amérique du Nord, les entreprises commerciales et les gouvernements des deux pays étant conscients des avantages mutuels qu'ils pouvaient retirer d'un marché unique pour certains produits.

Comme il en va des autres pays industriels, l'impotence du Canada dans le commerce international dépend de son aptitude à créer des entreprises manufacturières et commerciales assez fortes pour lutter à égalité.

Sommaire de l'année

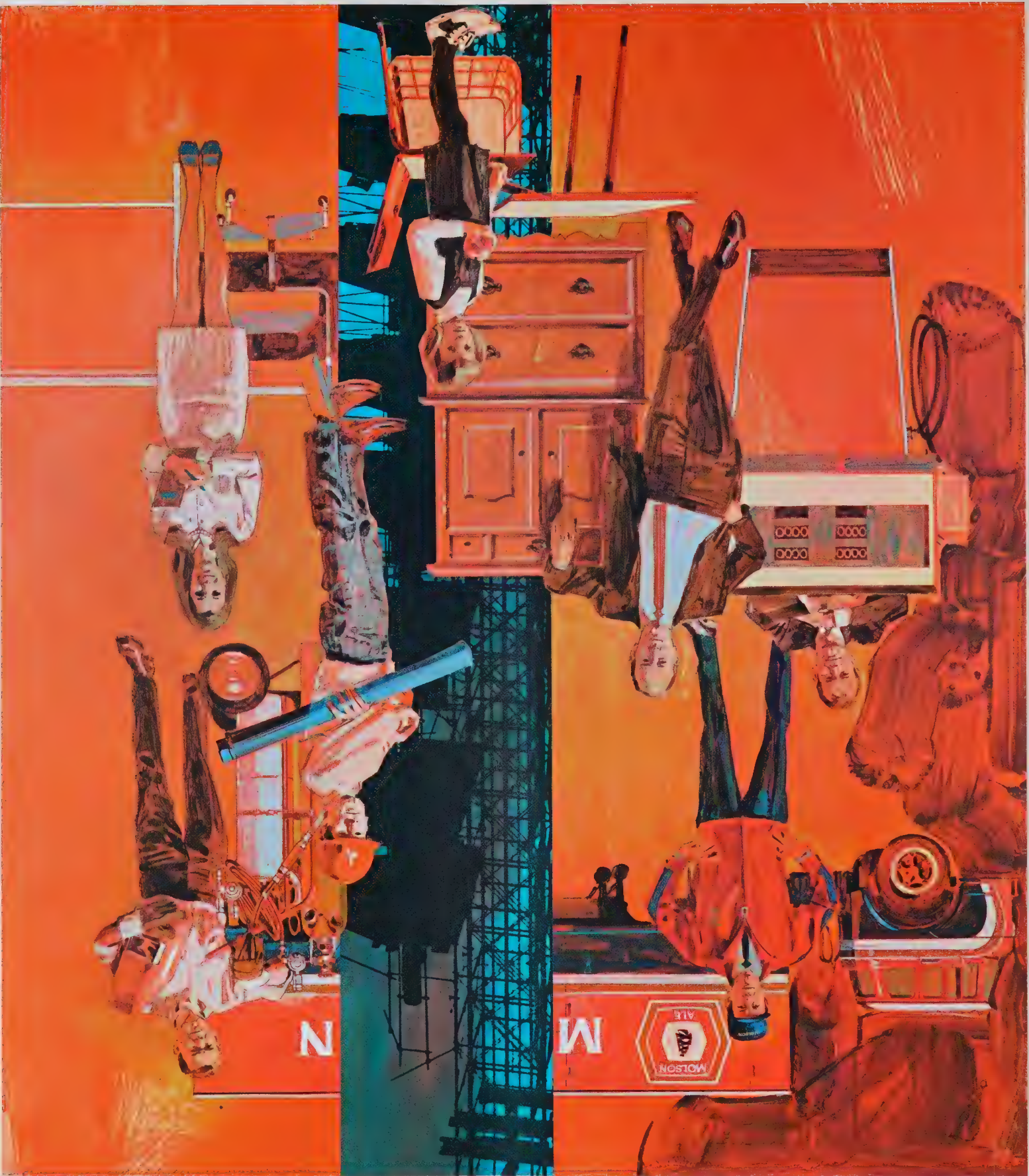
1969	\$	1968	\$
295,575,484		275,354,234	
15,028,426		15,919,248	
1.33		1.41	
7,851,077		6,957,637	
.72		.72	
45,743,342		44,195,906	
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LES INDUSTRIES MOLSON LIMITEE Rapport Annuel 1969



MOLSON

INDUSTRIES LIMITED

and subsidiary companies

AR11

Consolidated Statement of Source & Application of Funds — Unaudited

6 Months Ended
September 30th

	1969	1968
	\$'000	\$'000
SOURCE OF FUNDS		
Net earnings	8,544	8,290
Depreciation	3,578	3,548
Deferred income tax	290	92
Funds derived from operations	12,412	11,930
Proceeds of issue of common shares for cash	152	184
Net increase (decrease) in long term debt	109	(423)
Proceeds from sale of subsidiary	—	1,200
	<u>12,673</u>	<u>12,891</u>
APPLICATION OF FUNDS		
Dividends	4,106	3,792
Net additions to fixed assets	5,453	3,680
Cash paid on acquisition of interest in subsidiaries	6,201	555
Decrease (increase) in minority interest	40	(13)
Net increase in investments	—	30
	<u>15,800</u>	<u>8,044</u>
Decrease (increase) in working capital	3,127	(4,847)
Working capital, beginning of period	45,636	41,687
Net working capital of subsidiaries acquired and sold	—	248
WORKING CAPITAL, END OF PERIOD	<u>42,509</u>	<u>46,782</u>

File

MOLSON
INDUSTRIES LIMITED

INTERIM REPORT
TO THE SHAREHOLDERS
Six Months Ended
September 30, 1969

MOLSON

INDUSTRIES LIMITED

and subsidiary companies

Consolidated sales for the six months ended September 30, 1969 were \$167,715,000 compared with \$157,370,000 for the same period last year.

Net earnings were \$8,544,000 or 75¢ per share compared to \$8,290,000 or 73¢ per share a year ago. Both sales and earnings in the second quarter of this year were higher than in the second quarter of last year.

In the six months under review, significant growth was achieved in sales and earnings from brewing operations compared to last year. During the period two new beers were introduced — Molson "Golden" in Alberta and Saskatchewan and Molson "Festival" in Ontario and each has met with gratifying initial acceptance.

Profits in our product groups related to the construction industry have still not recovered to previous levels but there are indications of a trend to more stable market conditions.

Shipments of home and office furniture and school supplies are well ahead of last year resulting in increased profit contributions from these operations. In addition, booked-order positions are at very satisfactory levels.

We expect that the rate of increase in consolidated sales will be maintained through the second half and that profit from operations will exceed the level of the previous year. Investment income however is, and will continue to be, below the level of previous years as a result of cash paid out to purchase additional common shares of Anthes Imperial Limited, now 99.6% owned, together with a high level of expenditure on capital asset additions and replacements.

H. deM. MOLSON

Chairman of the Board

D. G. WILLMOT

President

November 6, 1969

Consolidated Statement of Earnings — Unaudited

6 Months Ended
September 30th

	1969 \$'000	*1968 \$'000
SALES	167,715	157,370
Earnings before income taxes	18,246	17,848
Income taxes	9,500	9,200
	8,746	8,648
Minority interest	202	358
NET EARNINGS	8,544	8,290
"A", "B" and "C" common shares outstanding (thousands)	11,360	11,346
NET EARNINGS PER SHARE	\$0.75	\$0.73

*The minority interest, net earnings and number of common shares outstanding at September 30, 1968 have been restated to provide comparable data.

AR11

Accountability for today and tomorrow

MOLSON INDUSTRIES LIMITED

Cette brochure est aussi publiée en français. Un exemplaire de l'édition française est disponible sur demande à: Les Industries Molson Limitée, Service des Relations Extérieures, P.O. Box 6015, Toronto A.M.F., Ontario.

OCT 2 1969

T

his is a story about growth and change. It is a story that covers almost 200 years of human endeavor. It spans the continents of North and South America and Europe.

The story is told as if it is about companies. And so it is. But all companies are more than plants and factories, bricks and mortar, machines and equipment. Companies are first of all people – people with ideas, concepts, skills and abilities.

This, therefore, is really the story of the determination and drive, the ingenuity and integrity, the hardships and hopes, the strivings and successes of thousands of people of different cultures, different backgrounds and different races. All have, and are, leaving their mark upon one of North America's fastest growing corporations.

This is the story of *your* company, Molson Industries Limited. It is the story of what it is, what it has been and what it hopes to be.

of
people
and
change



With the support of the Swiss Confederation, the Swiss Agency for Development Cooperation SDC is contributing to the development of the

country. In addition, the Swiss Agency for Development Cooperation SDC is supporting the people in the development of the country. The people in the development of the country are the people in the development of the country.

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Switzerland and the

the by
Molson
Industries

ANTHES IM

Molson Industries Limited came into being in September, 1968 following the combination of two major Canadian companies, Molson Breweries Limited and Anthes Imperial Limited.

With sales well in excess of one quarter of a billion dollars, Molson Industries is one of the largest corporations in Canada. It would rank within the top 300 industrial corporations in the United States. It employs more than 7,500 people in Canada, the United States and Europe. It is owned by more than 13,000 shareholders.

Molson Industries makes products that serve the consumer in his home, in his office and even in his automobile. Molson products help him to build his towns and cities, to educate his children, to distribute his goods and to enjoy his leisure.

These products are made in 36 wholly-owned foundries, plants and breweries in 27 communities in Canada, the United States and Italy, and three other facilities operated by affiliated companies in Mexico, Switzerland and the United States.

this is
**Molson
Industries**

Molson Breweries, the early days

The story begins nearly 200 years ago in Montreal, the town which fur traders had established on an island where the Ottawa River meets the majestic St. Lawrence. It was from Montreal that the traders set out in their birchbark canoes to seek the rich fur harvest of Canada's dark forests and countless lakes. It was to Montreal that their frail canoes returned laden with the precious pelts so prized by the European nobility.

Montreal was a lusty, bustling town of some 7,500 people in 1786 when 23-year-old John Molson – who had arrived four years earlier as an immigrant from Lincolnshire – completed a tiny brewhouse on the St. Lawrence shore across from St. Helen's Island. Here he brewed and sold his first ale, confident that his hard work and brewing skill would help him to succeed.

John Molson's brewery was indeed a success. Within a short time he was able to note in a letter, "Cannot now serve half my customers and they increasing every day". Soon, on and around the same site, he had to build additional facilities to meet the constantly increasing demand for his ale.

In 1809, with Molson's Brewery now an established part of the Montreal business community, John Molson took his first major step outside of the brewing business, and gave Canada its first steamboat, the "Accommodation". John Molson was also one of the founding fathers of Canada's first railway, the Champlain and St. Lawrence Railroad. It ran from La Prairie to St. Johns, outside Montreal. He helped the development of the fine arts in Montreal, through support of Montreal's first theatre, The Theatre Royal.

As Molson's Brewery grew and prospered, it became intertwined with the history and economy of Quebec. Molson distributors became established throughout Quebec as independent businessmen and participating citizens in their communities.

In Montreal, John Molson's descendants continued their infusion of civic and economic leadership. In 1837, they founded the Molson's Bank, which merged with the Bank of Montreal in 1925. Later generations of Molsons helped to bring gaslight to Montreal's streets. From the earliest days, the Molsons were, and they have continued to be, strong supporters of Montreal's hospitals and universities.



John Molson
1763-1836



Montreal, just prior to John Molson's arrival.

Anthes, a Victorian beginning

Sir Mackenzie Bowell was prime minister of Canada and Grover Cleveland was in his second term as president of the United States when the Toronto Foundry Company opened its doors for the first time in 1894.

Seven years later, as the world mourned the death of Queen Victoria, the Anthes name entered the Canadian industrial scene. In 1901, the Toronto Foundry was bought by the Anthes family and renamed the Anthes Foundry. The new company flourished with the wave of prosperity which came to Canada with the opening of the Canadian west. In 1912, Anthes followed the trail west and opened the company's second pipe plant in Winnipeg, Manitoba.

For both Molson Breweries Limited and Anthes Imperial Limited, the years from the turn of the century to 1946 were years of steady growth and consol-

idation. World War I was succeeded by prosperity, prohibition and the Great Depression. World War II brought an end to the depression and 1945 saw the conclusion of the war in the Pacific.

North America moved into the immediate postwar years of peace and prosperity. Molson's continued to expand on its original St. Lawrence River site, to grow with the province of Quebec and ship its products across Canada. Anthes continued to make pipe, and had expanded into the heating equipment field and was ready to play its role in the Canadian postwar construction boom.

A pattern of stable and sure economic growth seemed to be ahead for Canada and North America, and for Molson's and Anthes in particular. But beneath the surface of the economy, forces of vast change and development were already at work.



Mid-Victorian Toronto.

mid-century, a time of change

The year 1953 saw each company take a major step in its future development.

In that year, Anthes Imperial acquired the Penberthy Injector Company, and expanded into the new area of machine-tooled, engineered products.

At the same time, Molson Breweries expanded into the fast-growing industrial province of Ontario and began construction of an ultra-modern brewery on Toronto's lakeshore. When it opened production in 1955, the brewery was an immediate success. Molson products quickly captured a major, and constantly-growing, share of the Ontario market.

Thus began for each company a period of growth and development unparalleled in their histories - a period of development that culminated in Molson Industries Limited.

The acceptance of Molson products by the people of Ontario led, in 1958, to further expansion and a move into the Canadian far west. Molson acquired Sicks Breweries Limited, a highly-respected western company with breweries in Vancouver, Lethbridge, Edmonton, Regina and Prince Albert. This acquisition was followed by the purchase of the Fort Garry Brewery in Winnipeg in 1961. Molson now had brewing operations from Quebec to the Pacific Coast. In 1962, the joining of Newfoundland Brewery Limited to Molson's carried the company's operations to Canada's Atlantic coast. Molson was now a national company in every sense.

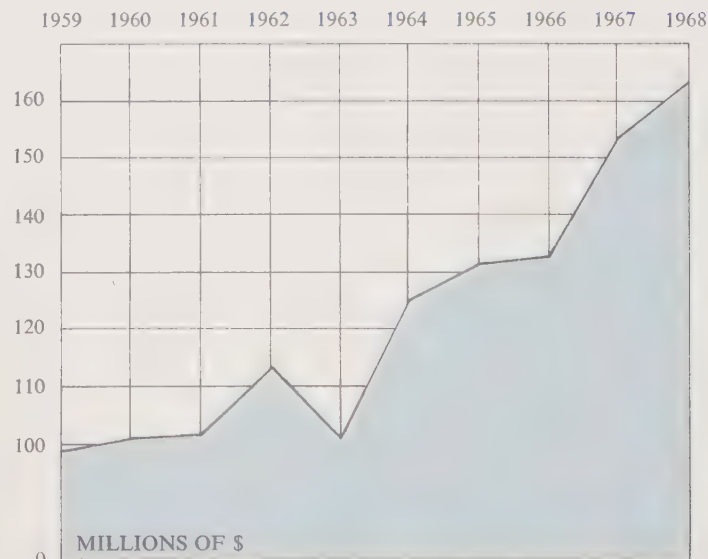
In addition, Molson brands are sold in many of the northeastern and midwestern states along the Canadian-United States border.

Molson also obtained a substantial interest in Sicks' Rainier Brewing Company in Seattle, Washington. Rainier, one of the leading breweries in the Pacific Northwest, in turn, has an interest in the California wine industry.

In 1965, Molson's began planning a program of diversification similar to that embarked upon almost 180 years earlier by the original John Molson with his moves into shipping and rail transportation. During the following two years, many companies were studied. In mid-1967 the company made its first acquisition outside the brewing industry, with the purchase of a majority interest in Vilas Industries Limited, a Canadian manufacturer of household and school furniture. Vilas is also the only national distributor of school supplies.

Thus, within 15 years, Molson Breweries underwent an extraordinary period of growth and development. It moved from a strong regional brewery to one of the leading brewing companies in North America operating with a planned program of diversification.

Molson Breweries, 15 years of growth



A decade of sales growth, Molson Breweries Limited.

Anthes Imperial, a decade of expansion

In the decade from 1948 to 1958, the sales of Anthes Imperial more than tripled. The company was then ready to begin a 10-year program of acquisition, expansion and further growth.

The next decade of expansion began with the opening of a cast iron pipe plant in Calgary in 1958. In the same year, the Sarnia Bridge Company was acquired. The next year saw the purchase of National Oxygen, a company which produces oxygen and acetylene for various industries. Also in 1959, Anthes sold part of the assets of Sarnia Bridge and formed the remainder into Sarnia Scaffolds Limited to sell and rent scaffolds, hoists and related products to the construction industry. Sarnia Scaffolds was later renamed Anthes Equipment.

Anthes took a broader step in diversification in 1961. It bought the publicly-owned Office Specialty Manufacturing Company. Office Specialty then made steel and wood office furniture, filing equipment and office paper products. It has since expanded into mechanized filing systems, interior design and space planning and office landscaping, custom executive furniture and office systems including business forms.

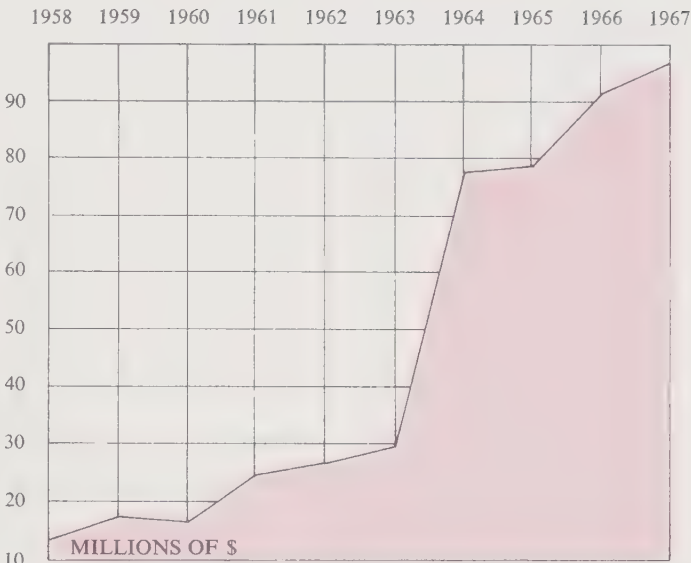
Anthes Imperial more than doubled its sales volume and added three new product groups when it acquired the John Wood Company of the United States in 1964. John Wood divisions included: John Wood Company Limited, in Canada, fabricating water heaters, hydro-pneumatic tanks, petroleum handling equipment and

specialty steel products; Industrial Products Division, in Pennsylvania, making storage tanks and space heating equipment; Superior Division, in Minnesota, making stainless steel ware for food processing, dairy and soft drink dispensing industries; and the Bennett Pump Division, in Muskegon, Michigan, with two European affiliates in Switzerland and Italy, and a partner in Mexico, making gasoline pumps of all types and selling them throughout the United States, Europe, Africa, Asia, the Near East and Latin America.

In the same year, La Fonderie Paquette of St. Jean was purchased, giving Anthes a pipe plant operation in the important Quebec market.

Expansion continued with the acquisition of Copeland-Chatterson Limited, makers of paper and file equipment for banks and trust companies. This company became part of the Office Specialty Division. Egry Business Systems was acquired and became Anthes Business Forms Limited to manufacture and sell various register forms, snap sets and continuous forms.

The Multiplex Company of St. Louis, Missouri, was acquired in 1966, putting Anthes Imperial into the soft drink dispensing equipment field. And, finally, in 1968, Anthes Imperial acquired Seaway Storage Inc., and Seaway Cartage Limited of Montreal, two companies with a broad range of warehousing and distribution services.



Anthes Imperial Limited, 10 years of sales improvement.

natural partners in growth

the power of natural capital

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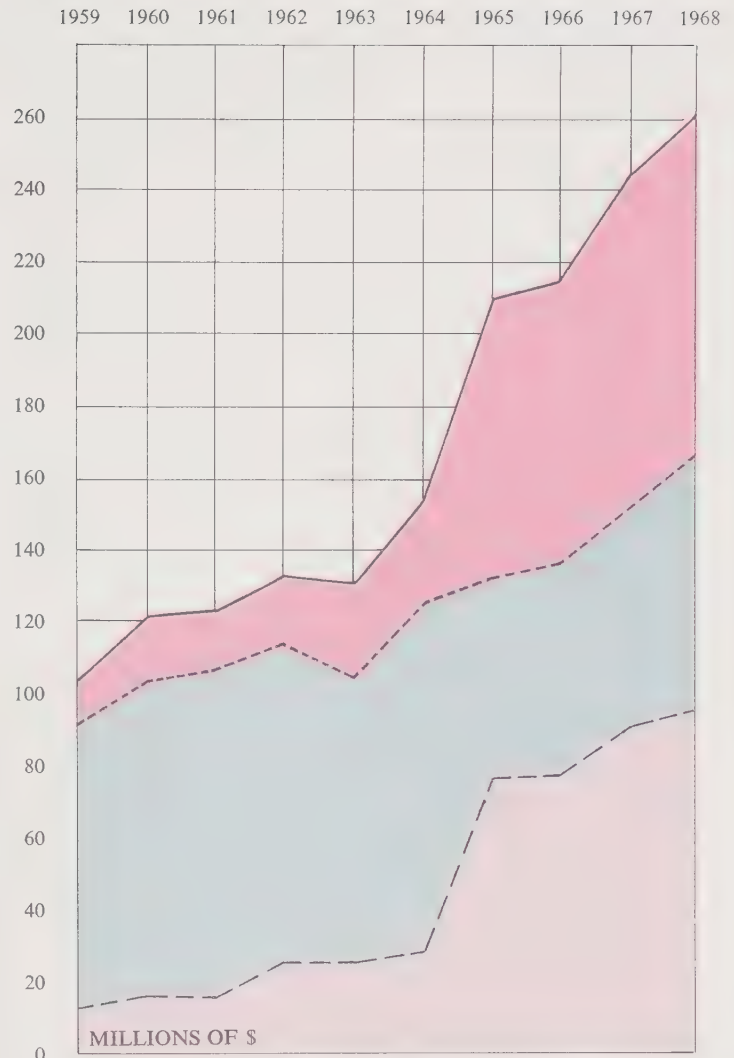
Thus, by 1968, Molson Breweries was a solid, stable, long-established company with substantial financial resources. It had developed the expert skills required to serve the general consumer market and had an exciting record of development and expansion that had prepared it for further growth.

Anthes Imperial was essentially an industrial-based company with a broad diversity of operations, organization, products and geographic markets. It had had an immediate 10-year record of expansion that had prepared it, too, for further progress.

It seemed logical that the two companies should join managements and resources into a single company. And this came to be. Negotiations were begun in the early weeks of 1968 and four months later, Molson Breweries Limited and Anthes Imperial Limited announced that they had agreed to join to become Molson Industries Limited.

From the combination came a multi-national, multi-product company serving a multiplicity of consumer and industrial markets that include: construction, petroleum, beer, office equipment, dairy and beverage dispensing, business systems, school supplies, defence, home furnishings and warehousing and cartage.

The combination created a business organization equipped with the human, technical and financial resources to enter almost any phase of North American or international business endeavor. It created a company of limitless potential.



The hypothetical combination of sales performance of Molson Breweries and Anthes Imperial, for the years 1959 to 1968, illustrates the growth potential of Molson Industries. Actual sales for the individual companies are shown for comparison.

Molson Industries Limited today

Molson Industries Limited is organized into three operating groups: the Brewing Group, the Canadian Industrial Group and the U.S. and International Industrial Group.

These three operating groups accurately describe the management structure, but in no way indicate the real size of the company in personnel, geographical market areas reached by its products or the breadth and scope of the products themselves. Here then is a closer look at the three basic operating groups.

Brewing Group

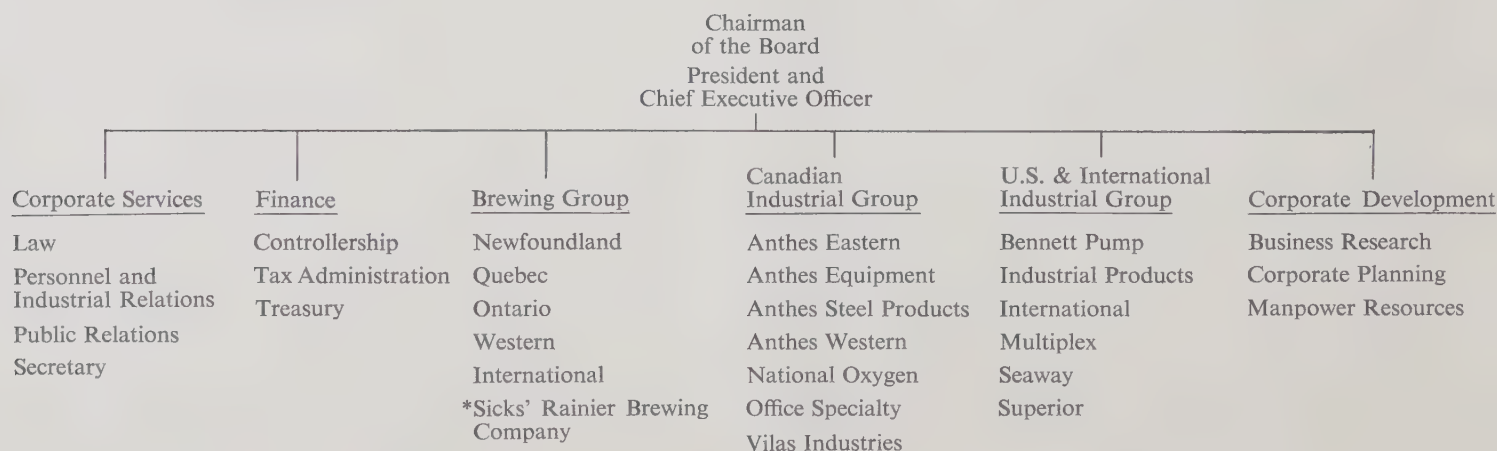
The principal element in the Brewing Group is Molson Breweries of Canada Limited, the oldest yet youngest brewery company in North America. It is the oldest because it began in 1786. It is the youngest because it was incorporated as a company on September 11, 1968, to conduct the brewing operations of Molson Industries Limited.

The Brewing Group, with its nine breweries, is divided into four operating divisions: the Newfoundland Division, the Quebec Division, the Ontario Division and the Western Division.

The Western Division manages six breweries located at Vancouver, British Columbia; Lethbridge and Edmonton, Alberta; Prince Albert and Regina, Saskatchewan, and Winnipeg, Manitoba. It also manages a hop farm in B.C. Each of the other three divisions operates a brewery: in Toronto, Ont., Montreal, Quebec and St. John's, Newfoundland.

Molson's rate of growth has consistently exceeded that of the brewing industry. Over the years, the company's sales volume has increased annually until, in 1968-1969, its share of the Canadian market had risen to 29.2 percent.

The sale of Molson beers and ales outside of Canada is the responsibility of the International Sales Division located in Montreal. The principal export markets are the American northeastern and midwestern states. Sicks' Rainier Brewing Company in which Molson has a substantial interest, sells in the states of Washington, Oregon, California, Montana, Idaho, Wyoming and Alaska. It also has a sizeable investment in the Robert Mondavi Winery and vineyard lands in the Napa Valley of California.



*affiliated company



Molson Industries Limited today

Operating Company

The operating company is responsible for the day-to-day management of the business. It is the company that the public sees and interacts with.

1980-1981
1982-1983
1984-1985
1986-1987
1988-1989

1990-1991

Worldwide presence

SWEDEN
Primo
and V. J. J. J.
arm of C. J. J.
S. J. J. J.

USA
C. J. J. J.
J. J. J. J.
J. J. J. J.

INDIA
J. J. J. J.
J. J. J. J.

THE
J. J. J. J.

1990-1991
1992-1993
1994-1995
1996-1997
1998-1999
2000-2001

Canadian Industrial Group

The Canadian Industrial Group, which is responsible for all non-brewing manufacturing and processing operations in Canada, is divided into seven basic divisions: Anthes Eastern, Anthes Western, Office Specialty, Anthes Steel Products, Anthes Equipment, National Oxygen and Vilas Industries.

Anthes Eastern Division with manufacturing and foundry facilities at Toronto and St. Catharines, Ontario and St. Jean, Quebec produces cast iron soil pipe and fittings, domestic water heaters, specially-engineered products for oil refining and similar processes, gasoline pumps and service station accessory equipment, domestic oil burners, instrument housings for industry, gas and oil fired furnaces, steel boilers, gas-fired unit heaters for industrial uses, and custom castings for the automotive after-market.

Anthes Western Division with manufacturing and foundry facilities at Winnipeg, Manitoba and Calgary and Edmonton, Alberta, makes cast iron soil pipe and fittings, water pressure pipe, custom castings, storage and propane tanks and short-line farm equipment.

Office Specialty Division, with manufacturing plants at Newmarket, Holland Landing and Brampton, Ontario and Anthes Business Forms at Mimico, Ontario, produces a complete range of general office and executive steel and wood furniture and equipment, business forms, filing equipment and business systems for high speed data processing installations.

Anthes Steel Products Division of Toronto, Ontario manufactures open web steel joists and cold roll form sections.

Anthes Equipment Division of Port Credit, Ontario, sells and rents scaffolding, hoists, cranes and similar equipment to the construction industry.

National Oxygen Division of Oakville, Ontario, produces compressed oxygen and acetylene gases for industrial uses in welding and cutting operations. The division also sells welding equipment and related supplies.

Vilas Industries Division with plants at Cowansville, Waterloo and Farnham, Quebec, Waterloo and Elmira, Ontario, manufactures household furniture, including upholstered La-Z-Boy chairs. School furniture is manufactured by the Vilas Vicometal division and is marketed by the Moyer division of Vilas. Moyer is Canada's largest distributor of school supplies.

U.S. and International Group

The U.S. and International Group is divided into six basic divisions: Superior of St. Paul, Minnesota; Industrial Products of Conshohocken, Pennsylvania; Bennett Pump of Muskegon, Michigan; Multiplex of St. Louis, Missouri; the International Division with plants in Italy, Mexico and Switzerland, and Seaway Cartage and Storage of Montreal and Toronto.

The Superior Division makes a wide range of containers, receptacles and tanks for the food processing, agricultural and soft drink industries. Its product range also includes a variety of industrial equipment, such as steam cleaners, sand blasters and portable heaters.

The Industrial Products Division is primarily concerned with the manufacture of storage tanks for air and liquids, as well as different types of custom fabrication in ferrous and non-ferrous metals.

Bennett Pump Division manufactures gasoline pumps and a wide range of auxiliary service station equipment.

Multiplex Division produces soft drink, frozen juice and frozen carbonated beverage dispensing equipment.

The International Division handles the export sales of the petroleum retail products in all countries other than U.S.A. and Canada, and includes manufacturing activities in Europe and Mexico.

The Seaway Division, consisting of Seaway Storage Inc., Seaway Cartage Limited and Seaway Storage (Toronto) Limited, with six warehouses in Montreal and Toronto, provides a complete warehouse and distribution service throughout Quebec, Ontario and the Atlantic Provinces. The company also operates a large truck fleet for the benefit of its customers.

and tomorrow ?

No one knows what tomorrow will bring. We do know one thing, though. It will be different from today. It will be different for, along with death and taxes, nothing is surer than change. A Roman emperor to whom we are indebted for the first written civil law, observed that "everything is the result of change".

In our western culture, we tend to accept change as a natural part of living, almost a way of life. We expect—in fact, as consumers, we demand—changes in our automobiles, clothes, appliances, each year. We tend to seek the latest, the newest—the changed thing.

The alert business organization not only accepts change, but anticipates change, moves to initiate change, to guide and use it for its competitive advantage. This, we will continue to do at Molson Industries.

Change is an integral part of business and industry. All of us at Molson Industries have been part of the dramatic changes that have taken place in industrial organizations over the past decade. We have been a part of it and will continue to be in the decades to come.

Molson Industries is particularly well-equipped—in human, financial and physical resources—to share in the future and growth of Canada and the United States, and to play an active, profitable role in international commerce.

The production and processing skills, the technical and professional talents, management innovation, sense of commercial adventure and the belief in the company's future that have created such an exciting past, will create an even more exciting tomorrow.

MOLSON

INDUSTRIES LIMITED

Post Office Box 6015, Toronto A.M.E., Ontario, Canada

September, 1969

Some shareholders have indicated to us that they would like more general information about the company, its products, its facilities and its history.

I believe you will find the enclosed booklet,

A Corporation For Today and Tomorrow, a useful reference source about the company. The booklet briefly outlines the past achievements of the two major companies which comprise the present corporation, the manner in which the company operates and is managed.

Yours sincerely,



D. G. Willmot
President

